KELUN-BIOTECH
科伦博泰

2025年報
Annual Report

四川科倫博泰生物醫藥股份有限公司

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.

（於中華人民共和國註冊成立的股份有限公司）

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

股份代號：6990

Stock Code：6990

CONTENTS

2 Corporate Information

4 Chairman's Statement

6 Management Discussion and Analysis

51 Directors, Supervisors and Senior Management

61 Report of the Directors

99 Corporate Governance Report

118 Environmental, Social and Governance Report

186 Independent Auditor's Report

191 Consolidated Statement of Profit or Loss

192 Consolidated Statement of Profit or Loss and Other Comprehensive Income

193 Consolidated Statement of Financial Position

194 Consolidated Statement of Changes in Equity

195 Consolidated Cash Flow Statement

196 Notes to the Financial Statements

250 Financial Summary

251 Definitions

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman of the Board and Non-executive Director

Mr. LIU Gexin (劉革新)

Executive Director

Dr. GE Junyou (葛均友)

Non-executive Directors

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

Independent Non-executive Directors

Dr. ZHENG Qiang (鄭強)
Dr. TU Wenwei (涂文偉)
Dr. JIN Jinping (金錦萍)
Dr. LI Yuedong (李越冬)

JOINT COMPANY SECRETARIES

Mr. ZHOU Zejian (周澤劍)
Mr. CHUNG Ming Fai (鍾明輝)

AUTHORIZED REPRESENTATIVES

Dr. GE Junyou (葛均友)
Mr. CHUNG Ming Fai (鍾明輝)

SUPERVISORS (From the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025)

Ms. LIAO Yihong (廖益虹)
Dr. SONG Hongmei (宋宏梅)
Ms. YANG Qiuyan (楊秋艷)
Dr. QING Yan (卿燕)

AUDIT COMMITTEE

Dr. LI Yuedong (李越冬) *(Chairperson)*
Dr. TU Wenwei (涂文偉)
Dr. ZHENG Qiang (鄭強)

REMUNERATION COMMITTEE

Dr. ZHENG Qiang (鄭強) *(Chairperson)*
Mr. LIU Sichuan (劉思川)
Dr. JIN Jinping (金錦萍)

NOMINATION COMMITTEE

Mr. LIU Gexin (劉革新) *(Chairperson)*
Dr. TU Wenwei (涂文偉)
Dr. JIN Jinping (金錦萍)

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road
Central
Hong Kong

REGISTERED OFFICE, HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

PRINCIPAL BANKS

Bank of China Limited
Chengdu Wenjiang Sub Branch

Industrial Bank Co., Ltd.
Chengdu Wenjiang Sub Branch

China CITIC Bank Corporation Ltd.
Chengdu Shuhan Sub Branch

China Merchants Bank Co., Ltd.
Chengdu Wenjiang Sub Branch

HONG KONG LEGAL ADVISER

Sullivan & Cromwell (Hong Kong) LLP

H SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

H Share: 06990

COMPANY'S WEBSITE

https://kelun-biotech.com

CHAIRMAN'S STATEMENT

Dear Shareholders:

I hereby represent the Board of Directors of the Company to thank you for your long-standing trust and support in Kelun-Biotech.

2025 was a year in which the Company achieved leapfrog development. The Company achieved comprehensive breakthroughs in its core business areas, successfully accomplished a fully integrated platform for innovative drugs from R&D to commercialization, and realized the leap from Biotech to Biopharma. To date, the Company has obtained marketing approval for four products across eight indications: Sac-TMT (sacituzumab tirumotecan) (佳泰莱®) has been approved for two lung cancer indications and two breast cancer indications, fully validating its potential best-in-class clinical value in the global ADC field; trastuzumab botidotin (舒泰莱®) and Cetuximab N01 (达泰莱®) have been successfully launched, providing high-quality domestic treatment options for patients with breast cancer and colorectal cancer, respectively; tagitanlimab (科泰莱®) has obtained an additional indication, becoming the world's first PD-L1 mAb approved for the first-line treatment of nasopharyngeal carcinoma; one NDA for the Company's internally developed lunbotinib fumarate capsules has been accepted. Consequently, the Company's initial portfolio of commercialised products has begun to take shape. In addition, five of the Company's innovative projects have been approved for clinical trials, several innovative projects have initiated Phase 2 clinical trials, and one Phase 3 clinical trial has been initiated, with more than ten innovative projects in the clinical stage, and the innovation momentum is being continuously unleashed.

In 2025, the Company's clinical achievements garnered significant international acclaim. Multiple landmark studies were intensively presented at top-tier academic conferences such as ASCO and ESMO, and published in authoritative journals including *NEJM*, *Nature Medicine* and *BMJ*. The therapeutic areas covered BC, LC, gynecological cancer, GI cancer, GU cancer, MTC and NPC, marking that the quality of Kelun-Biotech's clinical data and the depth of its research have entered the world's first-class evaluation system.

To rapidly advance the commercialization of our launched products, we have assembled a seasoned commercialization team, which now comprises more than 600 members, to commercialize the Company's strategic products, and have established a comprehensive commercialization structure and system within the team, thereby gradually achieving extensive nationwide business coverage and laying a solid foundation for the rapid sales ramp-up; Authoritative recommendations from multiple clinical guidelines have also provided a strong impetus for commercialization. On the market access front, we have established stable cooperative relationships with a number of leading commercial and distribution groups and organized nationwide pharmacy training, significantly enhancing the professionalism of terminal services and the ability to provide medication guidance to patients, while actively pursuing refinement of our tendering and procurement strategies to drive the rapid rollout of our products across various provinces. With the support of national innovation policies, the Company has successfully included five indications of three products in the National Reimbursement Drug List, covering therapeutic areas for high-incidence malignant tumors such as breast cancer, lung cancer, nasopharyngeal carcinoma and Colorectal Cancer, and has also actively promoted the inclusion of 佳泰莱® in provincial- and municipal-level Inclusive Insurance, effectively reducing patients' medication burden, practicing inclusive healthcare, and contributing to the Healthy China initiative.

Globally, we continue to accelerate our integration into the global drug innovation field through international cooperation and complementary advantages, and share the benefits of the development of the global pharmaceutical market. In 2025, the Company continued to deepen its strategic partnership with MSD. As of now, MSD is evaluating 17 global Phase 3 clinical studies of sac-TMT as monotherapy and in combination with pembrolizumab or other drugs for various cancers. The Company also actively expanded new overseas partnership, and for the first time entered into an out-licensing arrangement with Windward Bio under the NewCo model in respect of our pioneering pipeline in the field of immunology, and entered into a cross-licensing collaboration with Crescent Biopharma. This innovative model marks a critical upgrade of the Company's BD collaboration strategy, shifting toward deep synergy under a dual-asset model of "global co-development + commercialization".

Innovation is the lifeline of pharmaceutical development. Staying at the forefront of innovation, and leveraging its proprietary ADC platform and novel DC development platform, OptiDC™, the Company is strategically building an ADC 2.0 pipeline covering novel technology approaches such as bispecific ADCs, iADCs, DACs and RDCs. In addition, based on the synergistic empowerment of the three major platforms of biologics, small molecule and OptiDC™, the Company has established a tiered pipeline matrix covering both DC and non-DC drugs, and, while iterating cancer therapies through diverse combinations such as "ADC+IO", expanded the boundaries of treatment to broad areas such as autoimmune and metabolic diseases.

In 2025, Kelun-Biotech fully promoted capital operations, achieving significant results. In June, the Company successfully completed the placing of new shares in Hong Kong, raising approximately US$250 million; In August, the Company was included in the MSCI Global Standard Index. Through a range of capital operation strategies, the company has not only enriched its reserves of cash, but also further achieved refinement of its capital structure, injecting strong momentum into research and development innovation and propelling its market capitalization to exceed HK$100 billion.

"As heaven's movement is ever vigorous, so must a gentleman ceaselessly strive for self-perfection". 2026 will be a year in which Kelun-Biotech continues to deepen its development, and we will also deeply integrate AI technologies to empower the entire chain of drug R&D and operations through intelligent solutions. The Company will consistently focus on significant medical needs, continue to advance a clinical pipeline that is both innovative and differentiated, and further enhance its "end-to-end" drug R&D and commercialization capabilities. At the same time, we will expand our business footprint and strategic partnerships and improve our capabilities for the development, registration and commercialization of our products in ex-China markets, steadily moving towards becoming a world-class biopharmaceutical company.

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

FINANCIAL HIGHLIGHTS

	2025 RMB'000	2024 RMB'000	Flux
Revenue	**2,057,920**	1,933,045	6.5%
Gross profit	**1,478,781**	1,273,657	16.1%
Research and development expenses	**(1,319,675)**	(1,206,134)	9.4%
Loss for the year	**(381,971)**	(266,766)	43.2%
Adjusted loss for the year[1]	**(211,276)**	(118,481)	78.3%

	As at December 31, 2025	As at December 31, 2024	
Cash and financial assets[2]	**4,559,358**	3,075,651	48.2%
Total Equity	**4,867,070**	3,308,661	47.1%
Debt-to-asset ratio[3]	**18.7%**	22.5%	-3.8%

BUSINESS HIGHLIGHTS

Since the beginning of 2025, we have made encouraging progress in our business:

- **Key developments of our ADC and novel DC assets:**
  - *Our Core Product sac-TMT (sacituzumab tirumotecan, TROP2 ADC) (also known as SKB264/MK-2870) (佳泰莱®):*
    - **TNBC.** In November 2024, we received marketing authorization in China from the NMPA for sac-TMT in adult patients with unresectable locally advanced or metastatic TNBC who have received at least two prior systemic therapies (at least one of them for advanced or metastatic setting). Sac-TMT is the first domestically developed ADC with global intellectual property rights to receive complete marketing authorization in China.

      Our results from the Phase 3 study of sac-TMT in patients with previously treated locally recurrent or metastatic TNBC were presented at the ASCO Annual Meeting in May 2024 and Nature Medicine in April 2025. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in PFS and OS. The median PFS, as assessed by BICR, was 6.7 months (95% CI: 5.5, 8.0) with sac-TMT and 2.5 months (95% CI: 1.7, 2.7) with chemotherapy, and HR was 0.32 (95% CI: 0.24, 0.44, p<0.00001), and the risk of disease progression or death was reduced by 68%. The median OS was not reached with sac-TMT (95% CI: 11.2, NE) and 9.4 months with chemotherapy (95% CI: 8.5, 11.7), HR was 0.53 (95% CI: 0.36, 0.78, p=0.0005), and the risk of death was reduced by 47%. ORR was 45.4% with sac-TMT compared to 12% with chemotherapy. The subset of patients with high TROP2 expression (H-score>200) had a higher median PFS (8.3 months) and ORR (52.1%) with sac-TMT.

1 Calculated by deducting equity-settled share-based payment from loss for the year. The equity-settled share-based payment was RMB170.7 million and RMB148.3 million for the year ended December 31, 2025 and 2024, respectively.

2 Comprises cash and cash equivalents, restricted deposits, financial assets measured at fair value through profit or loss and financial assets measured at amortized cost.

3 Calculated by dividing the total liabilities by the total assets.

We have initiated a Phase 3 registrational study of sac-TMT monotherapy versus ICC for 1L advanced TNBC.

- **HR+/HER2- BC.** In February 2026, a new indication application for sac-TMT for the treatment of adult patients with unresectable or metastatic HR+/HER2- BC who have received prior ET and at least one line of chemotherapy in advanced setting has been approved for marketing by the NMPA.

  Our results from the Phase 3 study of sac-TMT for the treatment of 2L+ HR+/HER2- BC were selected for LBA and presented as an oral report at the ESMO Congress in October 2025. Sac-TMT achieved statistically significant clinical outcomes compared to ICC: ORR (41.5% vs 24.1%); PFS (median 8.3 vs 4.1 months, HR=0.35, 95% CI=0.26-0.48, p<0.0001). Clinical benefit was seen in sac-TMT independent of HER2 expression (HR for PFS in HER2-zero=0.39, 95% CI=0.26-0.57; in HER2-low=0.31, 95% CI=0.20-0.48). There was a trend in OS that favored sac-TMT over ICC (HR=0.33; 95% CI=0.18-0.61).

  A Phase 3 registrational study of sac-TMT versus ICC for treatment of patients with unresectable locally advanced, recurrent or metastatic HR+/HER2- BC who received prior ET is in progress.

- **EGFR-mutant NSCLC.** In March 2025, we received marketing authorization in China from the NMPA for sac-TMT for the treatment of adult patients with EGFR mutant-positive locally advanced or metastatic non-squamous NSCLC following progression on EGFR-TKI therapy and platinum-based chemotherapy. This is the first TROP2 ADC drug approved for marketing in LC globally.

  Our final OS analysis, along with updated PFS and additional data from the pivotal study of sac-TMT for the treatment of 3L advanced EGFR-mutant NSCLC has been presented at the 2026 ELCC in March 2026. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in overall survival. In the docetaxel control group, 41.3% of patients crossed over to receive sac-TMT after disease progression. Considering the impact of OS from crossover treatment in the control group, adjusted and analysed by the pre-specified rank-preserving structural failure time (RPSFT) model, the median OS was 20.0 months in the sac-TMT group vs 11.2 months in the docetaxel group (HR 0.45, 95% CI: 0.28-0.73), with 18-month OS rate of 54.7% vs 9.1%. Without adjustment for subsequent sac-TMT treatment in the control group, median OS was 20.0 months vs 13.5 months (HR 0.63, 95% CI: 0.40-0.98). Median PFS assessed by INV was 7.9 months vs 2.8 months (HR 0.23, 95% CI: 0.15-0.35).

  In October 2025, we received marketing authorization in China from the NMPA for sac-TMT for the treatment of adult patients with EGFR mutant-positive locally advanced or metastatic non-squamous NSCLC who progressed after treatment with EGFR-TKI therapy. This is the first ADC globally to show an OS benefit compared with platinum doublet chemotherapy and be approved for advanced NSCLC following progression on only TKI therapy (2L).

  Our results from the Phase 3 study of sac-TMT for the treatment of 2L advanced EGFR-mutant NSCLC were selected for LBA and presented as an oral report in the Presidential Symposium session at the ESMO Congress in October 2025. Sac-TMT achieved statistically significant clinical outcomes compared to chemotherapy: ORR (60.6% vs 43.1%); PFS (BIRC: median 8.3 vs 4.3 months, HR=0.49, 95% CI=0.39-0.62, p<0.0001); preplanned interim analysis of OS (NR vs 17.4 months, HR=0.6, 95% CI=0.44-0.82, two-sided p=0.001). In the supplemental analysis, when censoring patients at the date of initiation of subsequent ADCs, sac-TMT significantly improved OS over chemotherapy with 44% lower risk of death (HR, 0.56; 95% CI, 0.41-0.77). The study results were published simultaneously online at the *New England Journal of Medicine* (Impact Factor=78.5) and in the first issue of 2026.

In addition, a Phase 3 registrational study of sac-TMT combined with osimertinib as first-line treatment of locally advanced or metastatic non-squamous EGFR-mutant NSCLC and a Phase 2 study of sac-TMT monotherapy or in combination with osimertinib as neoadjuvant therapy for EGFR-mutant NSCLC are in progress.

- **EGFR-wild type NSCLC.** The Phase 3 registrational study of sac-TMT in combination with KEYTRUDA®[4] (pembrolizumab) versus pembrolizumab as a first-line treatment of patients with PD-L1 positive locally advanced or metastatic NSCLC has demonstrated a statistically significant and clinically meaningful improvement in PFS, the study's primary endpoint. A positive trend in overall survival was also observed. This is the first Phase 3 clinical trial of ADC combined with immune checkpoint inhibitor to achieve its primary endpoint in the first-line treatment of NSCLC.

  In January 2026, sac-TMT in combination with pembrolizumab for the first-line treatment of patients with locally advanced or metastatic NSCLC who have PD-L1 TPS≥1% and are EGFR-negative and ALK-negative were granted Breakthrough Therapy Designation by the NMPA.

  Additionally, a Phase 3 registrational study of sac-TMT in combination with pembrolizumab versus chemotherapy combined with pembrolizumab as first-line treatment for patients with PD-L1 negative locally advanced or metastatic non-squamous NSCLC is in progress.

- **Other indications.** We are actively exploring the potential of sac-TMT both as a monotherapy and in combination with other therapies for treating other solid tumors, including GC, EC, CC, OC, TC, UC, CRPC and HNSCC, etc.

- **Global clinical development.** In May 2022, we licensed to MSD the exclusive rights to develop, use, manufacture and commercialize sac-TMT in all territories outside of Greater China (which includes Chinese mainland, Hong Kong, Macao, and Taiwan). As at the date of this annual report, MSD has evaluated 17 ongoing Phase 3 global, multi-center clinical studies for sac-TMT for several types of cancer including BC, LC, gynecological cancer, GI cancer and GU cancer. We are also collaborating with MSD on several global Phase 2 basket studies for sac-TMT as monotherapy or in combination with other agents for multiple solid tumors and those studies are ongoing.

- **Clinical data readout.** We presented clinical data on studies of sac-TMT at various academic conferences and published in journals, such as:

  - 2025 ASCO GU Cancers Symposium.

    - Efficacy and safety results from the Phase 1/2 KL264-01/MK-2870-001 study (NCT04152499) of sac-TMT monotherapy in patients with unresectable, locally advanced or metastatic UC who progressed on or after prior anti-cancer therapies;

[4] KEYTRUDA® (Pembrolizumab) is a registered trademark of Merck Sharp & Dohme LLC, a subsidiary of Merck & Co., Inc., Rahway, NJ, USA.

- 2025 ASCO Annual Meeting.
  - Sac-TMT in patients with previously treated advanced EGFR-mutated NSCLC: Results from the randomized OptiTROP-Lung03 study;
  - Sac-TMT as first-line treatment for unresectable locally advanced/metastatic TNBC: Initial results from the Phase 2 OptiTROP-Breast05 study;
  - Sac-TMT in combination with tagitanlimab (anti-PD-L1) in first-line advanced NSCLC: Non-squamous cohort from the Phase 2 OptiTROP-Lung01 study;
  - Sac-TMT in patients with previously treated locally advanced or metastatic NSCLC harboring uncommon EGFR mutations: Preliminary results from a Phase 2 Study;
- 2025 ESMO Congress.
  - Sac-TMT versus platinum-based chemotherapy in EGFR-mutated NSCLC following progression on EGFR-TKIs: results from the randomized, multi-center phase 3 OptiTROP-Lung04 study;
  - Sac-TMT versus ICC in previously treated locally advanced or metastatic HR+/HER2- BC: results from the randomized, multi-center phase 3 OptiTROP-Breast02 study;
  - Sac-TMT in participants with previously treated, advanced KRAS-Mutant NSCLC: results from cohort 5d of the SKB264-II-08 Study;
  - Sac-TMT plus pembrolizumab for treatment-naïve advanced PD-L1 positive NSCLC: results from the Phase 2 SKB264-II-04/MK-2870-003 study;
  - Sac-TMT plus pembrolizumab in metastatic CRPC: results from Phase 2 SKB264-II-06/MK-2870-002 study;
  - Sac-TMT monotherapy in advanced/metastatic EC: results from a Phase 1/2 study (KL264-01/MK-2870-001);
  - Efficacy and safety of sac-TMT monotherapy in advanced/metastatic CC: results from a Phase 1/2 study (KL264-01/MK-2870-001);
- 2026 ASCO GU.
  - Sac-TMT plus pembrolizumab in participants with advanced UC: results from the SKB264-II-06/2870-002 study;
- 2026 ELCC.
  - Sac-TMT in patients with previously treated advanced EGFR-mutated NSCLC: Final OS analysis from the randomized OptiTROP-Lung03 study;

- The New England Journal of Medicine.
  - Sac-TMT in EGFR-TKI-resistant, EGFR-mutated advanced NSCLC (OptiTROP-Lung04);
- The British Medical Journal.
  - Sac-TMT versus docetaxel for previously treated EGFR-mutated advanced NSCLC: multicentre, open label, randomised controlled trial (OptiTROP-Lung03);
- Nature Medicine.
  - Sac-TMT in previously treated metastatic TNBC: a randomized Phase 3 trial (OptiTROP-Breast01);
  - Sac-TMT in advanced NSCLC with or without EGFR mutations: Phase 1/2 and Phase 2 trials;
  - Sac-TMT in combination with PD-L1 mAb tagitanlimab (科泰莱®) for the first-line treatment of advanced or metastatic NSCLC: a Phase 2 trial (OptiTROP-Lung01);
- Journal of Hematology & Oncology.
  - Results of a phase 1/2 study of sac-TMT in patients with unresectable locally advanced or metastatic solid tumors refractory to standard therapies; and
- The Annals of Oncology.
  - Sac-TMT in participants with advanced or metastatic UC and disease progression after chemotherapy and immune checkpoint inhibitor.

o *Our Core Product trastuzumab botidotin (HER2 ADC, also known as A166) (舒泰莱®):*

- In October 2025, trastuzumab botidotin was approved for marketing by the NMPA for adult patients with unresectable or metastatic HER2+ BC who have received one or more prior anti-HER2 therapy. This is the first domestically developed HER2 ADC approved for 2L+ HER2+ BC in China.

  Our results from the Phase 3 study of trastuzumab botidotin for the treatment of 2L+ HER2+ BC were selected for LBA and presented as an oral report at the ESMO Congress in October 2025. Trastuzumab botidotin achieved statistically significant clinical outcomes compared to T-DM1: ORR (BICR: 76.9% vs 53%); PFS (median 11.1 vs 4.4 months, HR=0.39, 95% CI=0.30-0.51, p<0.0001). PFS benefit with trastuzumab botidotin was consistently observed regardless of prior lines of anti-HER2 therapy (HR=0.36, 95% CI=0.25-0.53, for 1 prior line; HR=0.39, 95% CI=0.28-0.56, for ≥2 prior lines). A trend toward benefit in OS was observed in trastuzumab botidotin (HR 0.62).

- We have also initiated an open, multicenter Phase 2 clinical study of trastuzumab botidotin in the treatment of HER2+ unresectable or metastatic BC that previously received a topoisomerase inhibitor ADC.

o *Others:*

Phase 2 clinical stage

- **SKB315 (CLDN18.2 ADC).** We are conducting a Phase 1b clinical trial of SKB315 for the treatment of GC/GEJC/PDAC, etc.

  The early-stage clinical data of SKB315 demonstrates promising efficacy and acceptable safety profile in GC with mid and high CLDN18.2 expression. Results of a Phase 1 study of SKB315 in patients with advanced solid tumors including gastric GC/GEJC were presented at 2025 ESMO Congress in October 2025. Of 32 evaluable (≥1 on-study scan) CLDN18.2-expressing (H-score ≥80) patients with GC/GEJC at ≥2.4 mg/kg, the ORR and DCR were 37.5% and 84.4%, respectively. Median PFS was 8.2 months (95% CI: 2.7, 9.8), and median OS was 12.4 months (95% CI: 4.9, 17.8). In the subset of patients with GC/GEJC at 5.4 mg/kg Q2W, the ORR and DCR were 41.7% (5/12) and 91.7% (11/12), respectively.

- **SKB410/MK-3120 (Nectin-4 ADC).** MSD, as the sponsor, has launched 4 global Phase 1/2 clinical trials of SKB410/MK-3120 in advanced solid tumor including bladder cancer, etc.

- **SKB571/MK-2750.** SKB571 is a novel bsADC that primarily targets various solid tumors such as LC and GI cancer etc., being developed in collaboration with MSD. The Phase 2 clinical trial in China is ongoing.

- **SKB518.** SKB518 is a novel ADC drug with a potential FIC target. The Phase 2 clinical trials are ongoing in China.

- **SKB500.** SKB500 is a novel ADC drug with verified target but differentiated payload-linker strategy. A Phase 2 study of SKB500 is ongoing in China.

Phase 1 clinical stage

- **SKB107.** SKB107 is a RDC drug jointly developed by us and the Affiliated Hospital of Southwest Medical University (西南醫科大學附屬醫院) targeting bone metastases in solid tumors. The Phase 1 study is ongoing.

- **SKB535/MK-6204.** SKB535 is a novel ADC drug with potential FIC target. The Phase 1 clinical trial for SKB535 is ongoing in China. The Company has entered into a license and collaboration agreement with MSD to develop SKB535.

- **SKB445.** SKB445 is a novel ADC drug with potential FIC target. The Phase 1 clinical trials for SKB445 is ongoing in China.

- **SKB105/CR-003 (ITGB6 ADC).** SKB105 is a differentiated ADC with a topoisomerase 1 inhibitor payload in collaboration with Crescent Biopharma. In January 2026, an IND application was approved by the CDE of NMPA for the treatment of advanced solid tumors. A Phase 1/2 trial in China is ongoing.

- **Key developments of our non-DC assets:**
  - Our non-DC assets are primarily developed for oncology, including IO that is expected as synergetic combinations with our ADC and novel DC assets, as follows:
    - **Tagitanlimab (PD-L1 mAb, also known as A167) (科泰莱®).** In December 2024, we received marketing authorization of tagitanlimab in China from NMPA for the treatment of patients with recurrent or metastatic NPC who have failed after prior 2L+ chemotherapy. In January 2025, we received marketing authorization of tagitanlimab used in combination with cisplatin and gemcitabine for the first-line treatment of patients with recurrent or metastatic NPC in China from NMPA. Tagitanlimab is the first PD-L1 mAb globally to receive authorization for the first-line treatment of NPC.

      Based on a randomized, double-blinded, placebo controlled, multi-center, Phase 3 clinical study which evaluates the efficacy and safety results of tagitanlimab in combination with cisplatin and gemcitabine versus placebo in combination with cisplatin and gemcitabine for the treatment of recurrent or metastatic NPC, as presented at the ASCO Annual Meeting in May 2025, tagitanlimab used in combination with cisplatin and gemcitabine for the first-line treatment of recurrent or metastatic NPC has better PFS, higher ORR and extended DoR compared with chemotherapy, and has benefitted all patients regardless of PD-L1 expression. The median PFS for tagitanlimab in combination with chemotherapy is not reached compared to 7.9 months for placebo in combination with chemotherapy (HR=0.47, 95% CI: 0.33-0.66, p<0.0001), and the risk of disease progression and death is reduced by 53%; ORR is 81.7% vs 74.5%; median DoR is 11.7 vs 5.8 months (HR=0.48, 95% CI: 0.32-0.70), which is nearly double compared to the placebo arm; the beneficial trend for OS of tagitanlimab in combination with chemotherapy has already been observed (HR=0.62, 95% CI: 0.32-1.22), and its risk of death is reduced by 38%.

    - **Cetuximab N01 (EGFR mAb, also known as A140) (达泰莱®).** In February 2025, we received marketing authorization in China from the NMPA for Cetuximab N01 Injection used in combination with FOLFOX or FOLFIRI regimens for first-line treatment of RAS wild-type mCRC. As demonstrated by a large-scale domestic Phase 3 clinical study conducting a head-to-head comparison of Cetuximab N01 Injection with Cetuximab Solution for Injection (Erbitux®), the Cetuximab N01 combination chemotherapy was clinically equivalent in ORR (Cetuximab N01 vs Cetuximab Solution for Injection (Erbitux®): 71.0% vs 77.5%; ORR ratio is 0.93 (95% CI: 0.87, 0.99)), and Cetuximab N01 did not demonstrate any clinically meaningful or statistically significant differences in DoR and PFS compared with Cetuximab Solution for Injection (Erbitux®) (median PFS: 10.9 months vs 10.8 months, HR: 1.03 (95% CI: 0.83, 1.28); median DoR: 10.2 months vs 9.5 months). As for safety, this study has sufficiently proven that the Cetuximab N01 combination chemotherapy is comparable in terms of safety, tolerance and immunogenicity to the Cetuximab Solution for Injection (Erbitux®) combination chemotherapy.

- **Lunbotinib Fumarate Capsules (RET inhibitor, also known as A400/EP0031) (宁泰莱®)[5].** An NDA was accepted for review by the CDE of the NMPA of China for the 1L+ treatment of adult patients with RET-fusion positive locally advanced, or metastatic NSCLC. We are also conducting a Phase 1b/2 clinical study for RET+ MTC and solid tumor in China. Through our collaboration and license agreement, Ellipses Pharma is progressing their phase 2 clinical study globally outside of China.

  Our results from the Phase 1 study of Lunbotinib Fumarate Capsules in patients with advanced RET-mutant MTC were presented at the ASCO Annual Meeting in May 2025. The confirmed ORR was 63.0% and the DCR was 100% for overall population. The confirmed ORR was 56.3% (9/16) and 62.5% (5/8) in patients with prior MKI or treatment naïve, respectively. Median DoR was not reached, with the longest duration still ongoing at 25.8 months. Similarly, median PFS was not reached, with the 24-month PFS rate of 77.8%.

- **SKB118/CR-001 (PD-1/VEGF bsAb).** SKB118 is a tetravalent bsAb being developed for the treatment of solid tumors that combines two complementary, validated mechanisms in oncology via a blockade of PD-1 and VEGF with Greater China rights in-licensed from Crescent Biopharma. In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for SKB118 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the first patient has been dosed in February 2026. We are planning to initiate the Phase 1/2 clinical study for SKB118 in China in the first half of 2026.

o We are also developing the following assets for autoimmune diseases:

- **SKB378/WIN378 (TSLP mAb).** We completed Phase 1 clinical trial in healthy subjects in China. In January 2025, an IND application for SKB378 for the treatment of COPD was approved by the NMPA. Our collaboration partner, Windward Bio, has launched the Phase 2 POLARIS global trial in patients with asthma.

- **SKB575 (TSLP/undisclosed target bsAb).** In March 2026, an IND application for SKB575 for the treatment of atopic dermatitis was approved by the NMPA.

o Assets for other non-oncology disease areas include:

- **SKB336 (FXI/FXIa mAb).** We completed Phase 1 clinical trial in China.

• **Commercialization.** We have received marketing authorization for sac-TMT (佳泰莱®), tagitanlimab (科泰莱®), Cetuximab N01 (达泰莱®) and trastuzumab botidotin (舒泰莱®) and have commenced their commercialization. We have also filed an NDA for Lunbotinib Fumarate Capsules (宁泰莱®)[6] and expect to commence its commercialization in the first half of 2027, subject to regulatory communications and marketing approval. Three of our commercialized products, namely sac-TMT (佳泰莱®), tagitanlimab (科泰莱®) and Cetuximab N01 (达泰莱®), were for the first time successfully included in the National Reimbursement Drug List which has officially taken effect since January 1, 2026.

[5] Trade name to be approved by NMPA.
[6] Trade name to be approved by NMPA.

Currently, our businesses have covered 30 provinces, over 300 prefectures and over 1,200 hospitals, and reached tens of thousands of healthcare professionals through various types of marketing campaigns to convey product and medical professional information. In addition, we have obtained authoritative endorsement for our products from experts in clinical guidelines, such as "Guidelines of CSCO: Breast Cancer 2025 (CSCO乳腺癌診療指南2025)", "Guidelines of CSCO: Non-Small Cell Lung Cancer 2025) (CSCO非小細胞肺癌診療指南2025)", "Guidelines of CSCO: Nasopharyngeal Carcinoma 2025 (CSCO鼻咽癌診療指南2025)", "CBCS&CSOBO Guidelines for Breast Cancer Diagnosis and Treatment (2026 Concise Edition) (CBCS&CSOBO乳腺癌診治指南與規範(2026年精要本))", "Guidelines for Diagnosis and Treatment of Advanced Breast Cancer in China (2024 edition) (中國晚期乳腺癌規範診療指南(2024版))" and "Chinese Medical Association Clinical Practice Guidelines for Lung Cancer (中華醫學會肺癌臨床診療指南(2025版))", providing further support for the commercialization process.

As at the date of this annual report, we have established a fully-fledged commercialization team of over 600 people, dedicated to preparing and implementing the commercialization of our strategic products. Within the commercialization team, we have established a departmental structure that includes marketing, sales, medical affairs, distribution and market access, strategic planning and commercial excellence as well as marketing compliance and KA functions. The commercialization team will continue to expand to capture more market opportunities in the future as more products and indications are launched and are included in the medical insurance. Currently, among the commercialized products and therapeutic areas, the business team is divided into breast cancer, lung cancer, and other tumors based on indications, and the synergy of the indications of commercialized products are conducive to the implementation of marketing and promotional activities.

In 2025, our products were sold primarily through DTP pharmacies. We have established stable relationships with multiple leading commercial and distribution groups, including 60+ Tier 1 distributors and 400+ DTP pharmacies. A hierarchical management system for pharmacy retail has been adopted and trainings have been provided to nearly 10,000 pharmacists in 2025. By organizing nationwide pharmacy trainings, the company has significantly enhanced the professionalism of terminal services and improved the ability to provide patients with medication guidance.

We have actively optimized our network strategy. In 2025, sac-TMT (佳泰莱®), tagitanlimab (科泰莱®) and Cetuximab N01 (达泰莱®) have been included in 31 provincial networks, and trastuzumab botidotin (舒泰莱®) has been included in 5 provincial networks, ensuring rapid market access through provincial procurement channels. On December 7, 2025, the National Healthcare Security Administration and the Ministry of Human Resources and Social Security published the updated National Reimbursement Drug List (國家醫保藥品目錄). Three of our commercialized products, namely sac-TMT (佳泰莱®), tagitanlimab (科泰莱®) and Cetuximab N01 (达泰莱®), were for the first time successfully included in the National Reimbursement Drug List which has officially taken effect since January 1, 2026. Meanwhile, to further reduce the burden of patients and implement the concept of inclusive healthcare, we have been proactively facilitating the enrollment of sac-TMT (佳泰莱®) in provincial and prefecture city level Inclusive Insurance (惠民保). As at the end of the Reporting Period, sac-TMT (佳泰莱®) has been enrolled in more than 14 provinces and 30 cities.

Globally, we will continue to pursue a flexible strategy to capture the commercial value in major international markets, through forging synergistic license and collaboration opportunities worldwide.

- **Highlights of our License and Collaboration Arrangements.**
  - ***Collaboration with MSD.*** We have entered into license and collaboration agreements with MSD to develop multiple ADC assets for cancer treatment.
    - ***Sac-TMT:*** We have granted MSD an exclusive, royalty-bearing and sub-licensable license to develop, use, manufacture and commercialize sac-TMT outside Greater China. We retain the right to develop and commercialize sac-TMT within Greater China. As at the date of this annual report, MSD is evaluating 17 ongoing Phase 3 global clinical studies of sac-TMT as a monotherapy or with pembrolizumab or other agents for several types of cancer. The following studies are sponsored and led by MSD:
      - BC.
        - Adjuvant sac-TMT plus pembrolizumab versus TPC in TNBC who received neoadjuvant pembrolizumab plus chemotherapy and did not achieve a pCR at surgery;
        - Sac-TMT as a monotherapy and in combination with pembrolizumab versus TPC in participants with previously untreated locally recurrent unresectable or metastatic TNBC expressing PD-L1 at CPS<10;
        - Sac-TMT as a single agent and in combination with pembrolizumab versus TPC in participants with unresectable locally advanced or metastatic HR+/HER2-BC (after one or more lines of ET);
        - Sac-TMT followed by carboplatin/paclitaxel versus chemotherapy, both in combination with pembrolizumab as neoadjuvant therapy for high-risk, early-stage TNBC or HR-low positive/HER2-negative BC;
      - LC.
        - Adjuvant sac-TMT plus pembrolizumab versus pembrolizumab in adult participants with resectable NSCLC not achieving a pCR after receiving neoadjuvant pembrolizumab with platinum-based doublet chemotherapy followed by surgery;
        - Sac-TMT in combination with pembrolizumab versus pembrolizumab monotherapy in the first-line treatment of participants with metastatic NSCLC expressing PD-L1 greater than or equal to 50 percent;
        - Sac-TMT monotherapy versus standard chemotherapy for the treatment of previously treated advanced or metastatic NSCLC with EGFR mutations or other genomic alterations (after 1 or 2 prior lines of EGFR-TKI and 1 platinum-based therapy after progression on or after EGFR-TKI);
        - Sac-TMT versus pemetrexed and carboplatin combination therapy in participants with EGFR-mutated, advanced non-squamous NSCLC who have progressed on prior EGFR-TKI;
        - Sac-TMT in combination with pembrolizumab versus pembrolizumab as maintenance treatment in the first-line treatment of metastatic squamous NSCLC after induction treatment with pembrolizumab plus carboplatin and paclitaxel or nab-paclitaxel;

- Gynecological cancer.
  - Sac-TMT monotherapy versus chemotherapy for the treatment of EC who have received prior platinum-based chemotherapy and immunotherapy;
  - Sac-TMT in combination with pembrolizumab versus pembrolizumab alone as treatment in participants with mismatch repair proficient EC;
  - Sac-TMT monotherapy versus TPC as second-line treatment for participants with recurrent or metastatic CC;
  - Sac-TMT in patients with platinum-sensitive recurrent OC who have received 2L chemotherapy;
  - Sac-TMT in combination with pembrolizumab with or without Bevacizumab compared with SOC as 1L maintenance treatment for participants with persistent, recurrent, or newly diagnosed metastatic CC with PD-L1 CPS≥1;
  - Sac-TMT maintenance treatment with or without Bevacizumab versus SOC in participants with newly diagnosed advanced HRD-negative OC following 1L platinum-based chemotherapy;
- GI cancer. Sac-TMT in 3L+ advanced/metastatic GEA; and
- GU cancer. Sac-TMT in pretreated metastatic UC.

We are also collaborating with MSD on several global Phase 2 basket studies for sac-TMT as monotherapy or in combination with other agents for multiple solid tumors and those studies are ongoing.

- ***Other ADC assets:*** In addition to sac-TMT, we are also collaborating with MSD on certain ADC assets to continuously explore favorable ADC pipeline portfolios. Through our ADC pipelines, we aim to cover a wide range of tumor indications via different targets, to apply differentiated payload-linker strategies for ADC assets with different targets to achieve better efficacy and/or differentiated safety profiles, and, through various strategies, to explore ADCs in combination. We have granted MSD exclusive global licenses to research, develop, manufacture and commercialize multiple ADC assets and exclusive options to obtain additional licenses to certain other ADC assets. We retain the right to research, develop, manufacture and commercialize certain licenses and option ADCs for Chinese mainland, Hong Kong and Macau.

- ***Collaboration with Ellipses Pharma.*** In March 2021, we have entered into a collaboration and license agreement with Ellipses Pharma, under which we granted Ellipses Pharma an exclusive, revenue sharing, royalty-bearing, sublicensable license to develop, manufacture and commercialize Lunbotinib Fumarate Capsules (known as EP0031 by Ellipses Pharma).

  In April 2024, Lunbotinib Fumarate Capsules was cleared by the FDA to progress into Phase 2 clinical development. As at December 31, 2025, a total of 39 clinical sites in the United States, Europe and UAE were set up for Lunbotinib Fumarate Capsules.

- ***Collaboration with Windward Bio.*** In January 2025, it was announced that we and Harbour BioMed had entered into an exclusive license agreement with Windward Bio, under which we and Harbour BioMed granted Windward Bio an exclusive license for the research, development, manufacturing and commercialization of SKB378/WIN378 globally (excluding Greater China and several Southeast and West Asian countries).

  In return, we and Harbour BioMed are eligible to receive a total of up to US$970 million upfront and milestone payments as well as single to double-digit tiered royalties on net sales of SKB378/WIN378. The US$45 million upfront and near-term payments include both cash consideration and equity in the parent company of Windward Bio. The payments to be made by Windward Bio under the license agreement shall be paid in equal amounts to us and Harbour BioMed.

  Windward Bio has launched the Phase 2 POLARIS global trial in patients with asthma.

- ***Collaboration with Crescent Biopharma.*** In December 2025, we and Crescent Biopharma entered into a strategic collaboration for SKB105/CR-003 and SKB118 (a PD1 × VEGF bsAb, also known as CR-001). Under the collaboration, we granted Crescent Biopharma exclusive rights to research, develop, manufacture and commercialize SKB105/CR-003 in the United States, Europe and all other markets outside of Greater China. In addition, Crescent Biopharma granted us exclusive rights to research, develop, manufacture and commercialize SKB118/CR-001 in Greater China. The partnership includes the development of these candidates as monotherapies, and also the evaluation of SKB118/CR-001 in combination with SKB105/CR-003. Both we and Crescent Biopharma have the right to independently develop SKB118/CR-001 in additional combinations, including combinations of SKB118/CR-001 with proprietary ADC pipeline assets.

  Under the collaboration, we are eligible to receive an upfront payment of US$80 million from Crescent Biopharma and additional milestones of up to US$1.25 billion, plus tiered middle single-digit to low double-digit royalties on net sales of SKB105/CR-003. We are also eligible to receive additional payment from Crescent Biopharma if Crescent Biopharma undergoes a near-term change of control or enters into a sublicense agreement with a third party. Crescent Biopharma is also eligible to receive an upfront payment of US$20 million from us and additional milestones of up to US$30 million, plus tiered low to middle single digit royalties on net sales of SKB118/CR-001.

  In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for SKB118 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the first patient has been dosed in February 2026.

- **ESG.** We have established a comprehensive three-tier ESG governance structure consisting of the Board of Directors, ESG Working Group and ESG Executive Body. Among them, the Board of Directors serves as the highest responsible and decision-making body for ESG management and information disclosure, guiding and supervising the Company's ESG development. Through the establishment and continuous improvement of the ESG governance structure, the Company comprehensively enhances ESG performance ability and ensures the Company's sustainable development. In May 2025, the company was awarded "Best ESG" by Extel (formerly Institutional Investor Research) (前稱"機構投資者"). In March 2026, the Company had received a rating of "AA" in the MSCI ESG Rating Assessment.

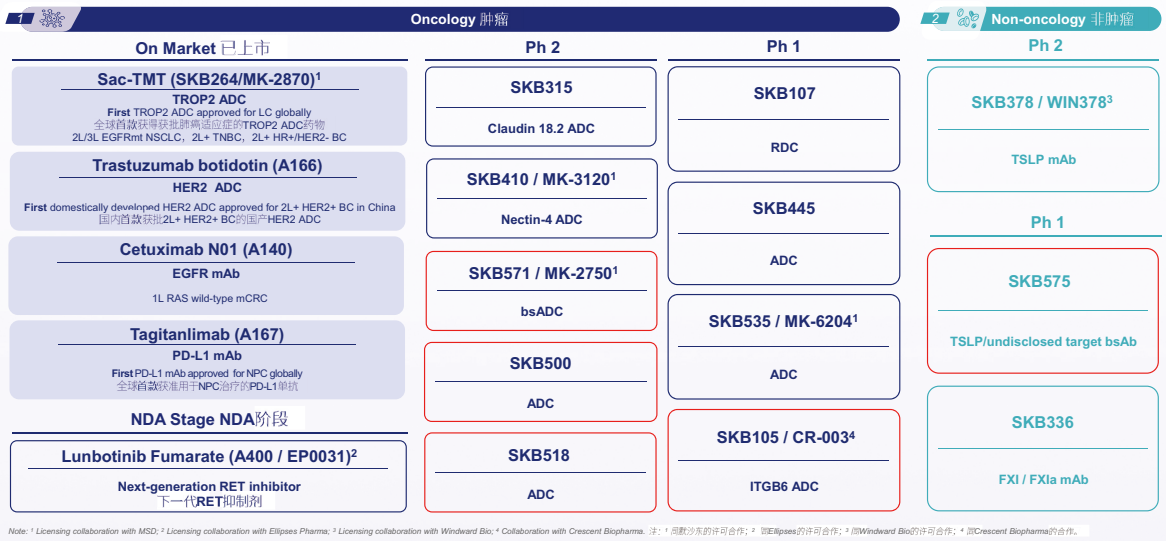
- **Placing of New H Shares.** On June 12, 2025, the placing of 5,918,000 H Shares to not less than six placees at the placing price of HK$331.80 per Share was completed. The net proceeds from the Placing amounted to approximately HK$1,943.0 million.

I. BUSINESS REVIEW

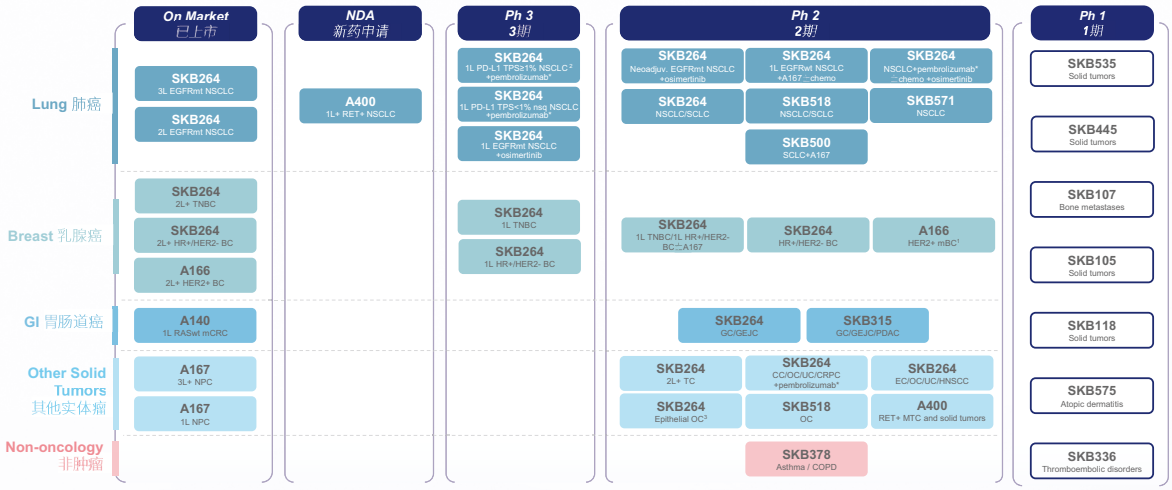
OVERVIEW

We are a biopharmaceutical company committed to the research and development (R&D), manufacturing and commercialization of novel drugs in oncology, immunology, metabolism and other therapeutic areas. We have two ADC drugs as our Core Products, namely, sac-TMT and trastuzumab botidotin. Sac-TMT is a novel TROP2 ADC positioned as a monotherapy and part of combination therapies. Trastuzumab botidotin is a differentiated HER2 ADC positioned as a monotherapy to treat advanced HER2+ solid tumors. As at the date of this annual report, we were developing more than 30 assets in our pipeline, including our Core Products and tagitanlimab and Cetuximab N01, all of which have received marketing authorization in China from the NMPA. With the recognition of projects with competitive advantages and market value, and the aim to allocate our existing R&D resources to such projects, our pipeline mainly consists of oncology assets as well as assets for non-oncology diseases and conditions such as autoimmune, metabolism and other disease areas.

The pipeline overview and clinical studies layout below summarizes the development status of our main clinical-stage assets as at the date of publishing this annual report.



Note: [1] Licensing collaboration with MSD; [2] Licensing collaboration with Ellipses Pharma; [3] Licensing collaboration with Windward Bio; [4] Collaboration with Crescent Biopharma. 注：[1] 同默沙东的许可合作；[2] 同Ellipses的许可合作；[3] 同Windward Bio的许可合作；[4] 同Crescent Biopharma的合作。



Note : [1] Previously treated with ADC with a Topo-I inhibitor payload; [2] Primary endpoint met and communicating with the authority regarding the submission of a sNDA; [3] Including fallopian tube cancer or primary peritoneal cancer
注：[1]既往接受过有效载荷为TOPOI抑制剂ADC治疗；[2] 已达到主要终点并正与监管机构就提交sNDA进行沟通；[3] 包括输卵管癌或原发性腹膜癌。
**: KEYTRUDA® (Pembrolizumab) is a registered trademark of Merck Sharp & Dohme LLC, a subsidiary of Merck & Co., Inc., Rahway, NJ, USA. *:可瑞达®(帕博利珠单抗)是美国新泽西州罗威市默克公司的附属公司Merck Sharp & Dohme LLC 的注册商标。*

Supported by three in-house developed technology platforms with proprietary know-how in ADCs and novel DCs, biologics (mAbs and bsAbs) and small molecule drugs and validated by our clinical-stage assets, our pipeline is diverse and synergistic in drug modalities, mechanisms, and indication coverage. Notably, we are one of the first movers in the development of ADCs, with over a decade of accumulated experience in ADC development. We are one of the first biopharmaceutical companies in China, and one of the few globally, to establish an in-house developed ADC and novel DC platform, OptiDC™. Our drug development capabilities are further bolstered by cGMP-compliant, end-to-end manufacturing capabilities and a comprehensive quality management system. Furthermore, we are well-positioned to expand our commercialization infrastructure and market access, leveraging our Controlling Shareholder Kelun Pharmaceutical's decades-long experience, industry connections and extensive network.

The clinical value of our pipeline and our drug development capabilities are recognized by the strategic partnerships we have forged worldwide to unlock the global market potential of key assets. We have entered into license and collaboration agreements with MSD to develop multiple ADC assets for cancer treatment. According to Frost & Sullivan, we are the first China-based company to license internally discovered and developed ADC candidates to a top-ten biopharmaceutical multinational corporation. We have also entered into collaboration and license agreements with other partners, such as Ellipses Pharma, Windward Bio and Crescent Biopharma. Our strategic partnerships are not only testaments to our R&D and business development capabilities, but also key drivers of our continued innovation, global influence and long-term growth.

OUR PIPELINE

Our pipeline targets the world's prevalent or hard-to-treat cancers, such as BC, NSCLC, GI cancers, gynecological tumors and GU cancers, as well as non-oncology diseases and conditions affecting a large and underserved population. As at the date of this annual report, we had established a pipeline of over 30 assets including sac-TMT, trastuzumab botidotin, tagitanlimab and Cetuximab N01 which have received marketing authorization in China from the NMPA, and over 10 clinical-stage assets. We have also assembled a diverse portfolio of preclinical assets to further enrich our expanding pipeline targeting medical needs.

Our oncology franchise

Our oncology franchise features diversified treatment modalities and targets different mechanisms to comprehensively treat prevalent or hard-to-treat cancers in China and worldwide, anchored by the following clinical-stage assets.

Sac-TMT (sacituzumab tirumotecan, TROP2 ADC) (also known as SKB264/MK-2870) (佳泰莱®)

Sac-TMT, one of our Core Products, is a novel TROP2 ADC targeting advanced solid tumors in which we have proprietary intellectual property rights. TROP2 is frequently overexpressed across a broad spectrum of cancers, especially in highly prevalent or hard-to-treat cancers such as BC, NSCLC, GI cancer, gynecological cancer and many other solid tumor types. Being the first domestically developed TROP2 ADC approved for marketing in China and the first domestically developed ADC fully approved for marketing in China, sac-TMT utilizes a differentiated drug design to improve ADC stability and maintain ADC bioactivity, thus enhancing its tumor targeting ability and reducing its off-target and on-target off-tumor toxicity, potentially leading to a broader therapeutic window.

Sac-TMT is developed with a unique, bifunctional linker that maximizes payload delivery to tumor cells both through its irreversible connection with the anti-TROP2 monoclonal antibody sacituzumab and its pH-sensitive cleavage from a belotecan-derivative topoisomerase I inhibitor in the lysosome, with a DAR of 7.4. Sac-TMT specifically recognizes TROP2 on the surface of tumor cells by recombinant anti-TROP2 humanized monoclonal antibodies, which is then endocytosed by tumor cells and releases KL610023 intracellularly. KL610023, as a topoisomerase I inhibitor, induces DNA damage to tumor cells, which in turn leads to cell-cycle arrest and apoptosis. In addition, it also releases KL610023 in the tumor microenvironment. Given that KL610023 is membrane permeable, it can enable a bystander effect, or in other words kill adjacent tumor cells. The design was to achieve a more effective balance between stability in circulation and targeted-release of the ADC payload in tumor cells.

We are actively advancing a multi-strategy clinical development plan to explore sac-TMT's potential as a monotherapy and combination therapies to treat various types of advanced solid tumors in Greater China. Meanwhile, MSD is advancing the global clinical development of sac-TMT outside of Greater China.

Within Greater China

Based on our retained rights to develop and commercialize sac-TMT and other TROP2 ADCs within Greater China, we have continued to advance our clinical development plan for sac- TMT in Greater China.

TNBC. In November 2024, we received marketing authorization in China from the NMPA for sac-TMT in adult patients with unresectable locally advanced or metastatic TNBC who have received at least two prior systemic therapies (at least one of them for advanced or metastatic setting). Sac-TMT is the first domestically developed ADC with global intellectual property rights to receive complete marketing authorization in China.

Our results from the Phase 3 study of sac-TMT in patients with previously treated locally recurrent or metastatic TNBC were presented at the ASCO Annual Meeting in May 2024 and Nature Medicine in April 2025. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in PFS and OS. The median PFS, as assessed by BICR, was 6.7 months (95% CI: 5.5, 8.0) with sac-TMT and 2.5 months (95% CI: 1.7, 2.7) with chemotherapy, and HR was 0.32 (95% CI: 0.24, 0.44, p<0.00001), and the risk of disease progression or death was reduced by 68%. The median OS was not reached with sac-TMT (95% CI: 11.2, NE) and 9.4 months with chemotherapy (95% CI: 8.5, 11.7), HR was 0.53 (95% CI: 0.36, 0.78, p=0.0005), and the risk of death was reduced by 47%. ORR was 45.4% with sac-TMT compared to 12% with chemotherapy. The subset of patients with high TROP2 expression (H-score>200) had a higher median PFS (8.3 months) and ORR (52.1%) with sac-TMT.

We have initiated a Phase 3 registrational study of sac-TMT monotherapy versus ICC for 1L advanced TNBC.

HR+/HER2- BC. In February 2026, a new indication application for sac-TMT for the treatment of adult patients with unresectable or metastatic HR+/HER2- BC who have received prior ET and at least one line of chemotherapy in advanced setting has been approved for marketing by the NMPA.

Our results from the Phase 3 study of sac-TMT for the treatment of 2L+ HR+/HER2- BC were selected for LBA and presented as an oral report at the ESMO Congress in October 2025. Sac-TMT achieved statistically significant clinical outcomes compared to ICC: ORR (41.5% vs 24.1%); PFS (median 8.3 vs 4.1 months, HR=0.35, 95% CI=0.26-0.48, p<0.0001). Clinical benefit was seen in sac-TMT independent of HER2 expression (HR for PFS in HER2-zero=0.39, 95% CI=0.26-0.57; in HER2-low=0.31, 95% CI=0.20-0.48). There was a trend in OS that favored sac-TMT over ICC (HR=0.33; 95% CI=0.18-0.61).

A Phase 3 registrational study of sac-TMT versus ICC of chemotherapy for treatment of patients with unresectable locally advanced, recurrent or metastatic HR+/HER2- BC who received prior ET is in progress.

EGFR-mutant NSCLC. In March 2025, we received marketing authorization in China from the NMPA for sac-TMT for the treatment of adult patients with EGFR mutant-positive locally advanced or metastatic non-squamous NSCLC following progression on EGFR-TKI therapy and platinum-based chemotherapy. This is the first TROP2 ADC drug approved for marketing in LC globally.

Our final OS analysis, along with updated PFS and additional data from the pivotal study of sac-TMT for the treatment of 3L advanced EGFR-mutant NSCLC has been presented at the 2026 ELCC in March 2026. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in overall survival. In the docetaxel control group, 41.3% of patients crossed over to receive sac-TMT after disease progression. Considering the impact of OS from crossover treatment in the control group, adjusted and analysed by the pre-specified rank-preserving structural failure time (RPSFT) model, the median OS was 20.0 months in the sac-TMT group vs 11.2 months in the docetaxel group (HR 0.45, 95% CI: 0.28-0.73), with 18-month OS rate of 54.7% vs 9.1%. Without adjustment for subsequent sac-TMT treatment in the control group, median OS was 20.0 months vs 13.5 months (HR 0.63, 95% CI: 0.40-0.98). Median PFS assessed by INV was 7.9 months vs 2.8 months (HR 0.23, 95% CI: 0.15-0.35).

In October 2025, we received marketing authorization in China from the NMPA for sac-TMT for the treatment of adult patients with EGFR mutant-positive locally advanced or metastatic non-squamous NSCLC who progressed after treatment with EGFR-TKI therapy. This is the first ADC globally to show an OS benefit compared with platinum doublet chemotherapy and be approved for advanced NSCLC following progression on only TKI therapy (2L).

Our results from the Phase 3 study of sac-TMT for the treatment of 2L advanced EGFR-mutant NSCLC were selected for LBA and presented as an oral report in the Presidential Symposium session at the ESMO Congress in October 2025. Sac-TMT achieved statistically significant clinical outcomes compared to chemotherapy: ORR (60.6% vs 43.1%); PFS (BIRC: median 8.3 vs 4.3 months, HR=0.49, 95% CI=0.39-0.62, p<0.0001); preplanned interim analysis of OS (NR vs 17.4 months, HR=0.6, 95% CI=0.44-0.82, two-sided p=0.001). In the supplemental analysis, when censoring patients at the date of initiation of subsequent ADCs, sac-TMT significantly improved OS over chemotherapy with 44% lower risk of death (HR, 0.56; 95% CI, 0.41-0.77). The study results were simultaneously published online at the *New England Journal of Medicine* (Impact Factor=78.5) and in the first issue of 2026.

In addition, a Phase 3 registrational study of sac-TMT combined with osimertinib as first-line treatment of locally advanced or metastatic non-squamous EGFR-mutant NSCLC and a Phase 2 study of sac-TMT monotherapy or in combination with osimertinib as neoadjuvant therapy for EGFR-mutant NSCLC are in progress.

EGFR-wild type NSCLC. The Phase 3 registrational study of sac-TMT in combination with KEYTRUDA®[8] (pembrolizumab) versus pembrolizumab for first-line treatment of patients with PD-L1 positive locally advanced or metastatic NSCLC has demonstrated a statistically significant and clinically meaningful improvement in PFS, the study's primary endpoint. A positive trend in overall survival was also observed. This is the first Phase 3 clinical trial of ADC combined with immune checkpoint inhibitor to achieve its primary endpoint in the first-line treatment of NSCLC.

In January 2026, sac-TMT in combination with pembrolizumab for the first-line treatment of patients with locally advanced or metastatic NSCLC who have PD-L1 TPS≥1% and are EGFR-negative and ALK-negative were granted Breakthrough Therapy Designation by the NMPA.

Additionally, a Phase 3 registrational study of sac-TMT in combination with pembrolizumab versus chemotherapy combined with pembrolizumab as first-line treatment for patients with PD-L1 negative locally advanced or metastatic non-squamous NSCLC is in progress.

Other indications. We are actively exploring the potential of sac-TMT both as a monotherapy and in combination with other therapies for treating other solid tumors, including GC, EC, CC, OC, TC, UC, CRPC and HNSCC.

Global clinical development

In May 2022, we licensed to MSD the exclusive rights to develop, use, manufacture and commercialize sac-TMT in all territories outside of Greater China (which includes Chinese mainland, Hong Kong, Macao, and Taiwan). As at the date of this annual report, MSD has evaluated 17 ongoing Phase 3 global, multi-center clinical studies for sac-TMT for several types of cancer including BC, LC, gynecological cancer, GI cancer and GU cancer. We are also collaborating with MSD on several global Phase 2 basket studies for sac-TMT as monotherapy or in combination with other agents for multiple solid tumors and those studies are ongoing.

8 KEYTRUDA® (Pembrolizumab) is a registered trademark of Merck Sharp & Dohme LLC, a subsidiary of Merck & Co., Inc., Rahway, NJ, USA.

Clinical data readout

We presented clinical data on studies of sac-TMT at various academic conferences and published in journals, such as:

- *2025 ASCO GU Cancers Symposium.*
    - Efficacy and safety results from the Phase 1/2 KL264-01/MK-2870-001 study (NCT04152499) of sac-TMT monotherapy in patients with unresectable, locally advanced or metastatic UC who progressed on or after prior anti-cancer therapies;
- *2025 ASCO Annual Meeting.*
    - Sac-TMT in patients with previously treated advanced EGFR-mutated NSCLC: Results from the randomized OptiTROP-Lung03 study;
    - Sac-TMT as first-line treatment for unresectable locally advanced/metastatic TNBC: Initial results from the Phase 2 OptiTROP-Breast05 study;
    - Sac-TMT in combination with tagitanlimab (anti-PD-L1) in first-line advanced NSCLC: Non-squamous cohort from the Phase 2 OptiTROP-Lung01 study;
    - Sac-TMT in patients with previously treated locally advanced or metastatic NSCLC harboring uncommon EGFR mutations: Preliminary results from a Phase 2 Study;
- *2025 ESMO Congress.*
    - Sac-TMT versus platinum-based chemotherapy in EGFR-mutated NSCLC following progression on EGFR-TKIs: results from the randomized, multi-center phase 3 OptiTROP-Lung04 study;
    - Sac-TMT versus ICC in previously treated locally advanced or metastatic HR+/HER2- BC: results from the randomized, multi-center phase 3 OptiTROP-Breast02 study;
    - Sac-TMT in participants with previously treated, advanced KRAS-Mutant NSCLC: results from cohort 5d of the SKB264-II-08 Study;
    - Sac-TMT plus pembrolizumab for treatment-naïve advanced PD-L1 positive NSCLC: results from the Phase 2 SKB264-II-04/MK-2870-003 study;
    - Sac-TMT plus pembrolizumab in metastatic CRPC: results from Phase 2 SKB264-II-06/MK-2870-002 study;
    - Sac-TMT monotherapy in advanced/metastatic EC: results from a Phase 1/2 study (KL264-01/MK-2870-001);
    - Efficacy and safety of sac-TMT monotherapy in advanced/metastatic CC: results from a Phase 1/2 study (KL264-01/MK-2870-001);

- *2026 ASCO GU.*
  - Sac-TMT plus pembrolizumab in participants with advanced UC: results from the SKB264-II-06/2870-002 study;
- *2026 ELCC.*
  - Sac-TMT in patients with previously treated advanced EGFR-mutated NSCLC: Final OS analysis from the randomized OptiTROP-Lung03 study;
- *The New England Journal of Medicine.*
  - Sac-TMT in EGFR-TKI-resistant, EGFR-mutated advanced NSCLC (OptiTROP-Lung04);
- *The British Medical Journal.*
  - Sac-TMT versus docetaxel for previously treated EGFR-mutated advanced NSCLC: multicentre, open label, randomised controlled trial (OptiTROP-Lung03);
- *Nature Medicine.*
  - Sac-TMT in previously treated metastatic TNBC: a randomized Phase 3 trial (OptiTROP-Breast01);
  - Sac-TMT in advanced NSCLC with or without EGFR mutations: Phase 1/2 and Phase 2 trials;
  - Sac-TMT in combination with PD-L1 mAb tagitanlimab (科泰莱®) for the first-line treatment of advanced or metastatic NSCLC: a Phase 2 trial (OptiTROP-Lung01);
- *Journal of Hematology & Oncology.*
  - Results of a phase 1/2 study of sac-TMT in patients with unresectable locally advanced or metastatic solid tumors refractory to standard therapies; and
- *The Annals of Oncology.*
  - Sac-TMT in participants with advanced or metastatic UC and disease progression after chemotherapy and immune checkpoint inhibitor.

SACITUZUMAB TIRUMOTECAN (SAC-TMT) FOR THE TREATMENT OF OTHER INDICATIONS NOT YET APPROVED MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Trastuzumab Botidotin (HER2 ADC, also known as A166) (舒泰萊®)

Trastuzumab botidotin, another of our Core Products, is a differentiated HER2 ADC to treat advanced HER2+ solid tumors. It is positioned to target multiple cancer indications with high prevalence and medical needs, including BC.

Trastuzumab botidotin is an innovative HER2 ADC developed by the Company, which conjugates a novel, monomethyl auristatin F (MMAF) derivative (a highly cytotoxic tubulin inhibitor, Duo-5) via a stable, enzyme-cleavable linker to a HER2 monoclonal antibody with a DAR of 2. Trastuzumab botidotin specifically binds to HER2 on the surface of tumor cells and is internalized by tumor cells, releasing the toxin molecule Duo-5 inside the cell. Duo-5 induces tumor cell cycle arrest in the G2/M Phase, leading to tumor cell apoptosis. After targeting HER2, trastuzumab botidotin can also inhibit the HER2 signaling pathway; it has ADCC activity.

In October 2025, trastuzumab botidotin was approved for marketing by the NMPA for adult patients with unresectable or metastatic HER2+ BC who have received one or more prior anti-HER2 therapy. This is the first domestically developed HER2 ADC approved for 2L+ HER2+ BC in China.

Our results from the Phase 3 study of trastuzumab botidotin for the treatment of 2L+ HER2+ BC were selected for LBA and presented as an oral report at the ESMO Congress in October 2025. Trastuzumab botidotin achieved statistically significant clinical outcomes compared to T-DM1: ORR (BICR: 76.9% vs 53%); PFS (median 11.1 vs 4.4 months, HR=0.39, 95% CI=0.30-0.51, p<0.0001). PFS benefit with trastuzumab botidotin was consistently observed regardless of prior lines of anti-HER2 therapy (HR=0.36, 95% CI=0.25-0.53, for 1 prior line; HR=0.39, 95% CI=0.28-0.56, for ≥2 prior lines). A trend toward benefit in OS was observed in trastuzumab botidotin (HR 0.62).

We have also initiated an open, multi-center Phase 2 clinical study of trastuzumab botidotin in the treatment of HER2+ unresectable or metastatic BC that previously received a topoisomerase inhibitor ADC.

TRASTUZUMAB BOTIDOTIN FOR THE TREATMENT OF OTHER INDICATIONS NOT YET APPROVED MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

SKB315 (CLDN18.2 ADC)

SKB315 is configured with a proprietary, in-house developed humanized CLDN18.2 mAb and a differentiated payload-linker design. We are conducting a Phase 1b clinical trial of SKB315 for the treatment of GC/GEJC/PDAC, etc.

The early-stage clinical data of SKB315 demonstrates promising efficacy and acceptable safety profile in GC with mid and high CLDN18.2 expression. Results of a Phase 1 study of SKB315 were presented at 2025 ESMO Congress in October 2025. Of 32 evaluable (≥1 on-study scan) CLDN18.2-expressing (H-score ≥80) patients with GC/GEJC at ≥2.4 mg/kg, the ORR and DCR were 37.5% and 84.4%, respectively. Median PFS was 8.2 months (95% CI: 2.7, 9.8), and median OS was 12.4 months (95% CI: 4.9, 17.8). In the subset of patients with GC/GEJC at 5.4 mg/kg Q2W, the ORR and DCR were 41.7% (5/12) and 91.7% (11/12), respectively.

SKB410/MK-3120 (Nectin-4 ADC)

SKB410 is a novel Nectin-4 ADC targeting advanced solid tumors and utilizing a differentiated payload-linker strategy. MSD, as the sponsor, has launched 4 global Phase 1/2 clinical trials of SKB410/MK-3120 in advanced solid tumor including bladder cancer, etc.

SKB571/MK-2750

SKB571 is a novel bsADC that primarily targets various solid tumors such as LC and GI cancer etc., being developed in collaboration with MSD. The Phase 2 clinical trial in China is ongoing.

SKB518

SKB518 is a novel ADC drug with potential FIC targets. The Phase 2 clinical trials are ongoing in China.

SKB500

SKB500 is a novel ADC drug with verified target but differentiated payload-linker strategy. A Phase 2 study of SKB500 is ongoing in China.

SKB535/MK-6204

SKB535 is a novel ADC drug with potential FIC target. The Phase 1 clinical trials for SKB535 is ongoing in China. The Company has entered into a license and collaboration agreement with MSD to develop SKB535.

SKB445

SKB445 is a novel ADC drug with potential FIC target. The Phase 1 clinical trials for SKB445 is ongoing in China.

SKB105/CR-003 (ITGB6 ADC)

SKB105 a differentiated ADC targeting ITGB6 with a topoisomerase 1 inhibitor payload. ITGB6 is overexpressed in many solid tumors, but shows minimal to no expression in most normal tissues, thereby potentially reducing the risk of systemic toxicity and off-target effects. SKB105 incorporates proprietary Kthiol irreversible conjugation technology, linking anti-ITGB6 fully human Immunoglobulin G1 (IgG1) mAb to a clinically validated cleavable linker. The design aims to enhance stability and tumor-specific payload delivery while reducing adverse effects. In preclinical models, SKB105 demonstrated a favorable efficacy, safety, and pharmacokinetic (PK) profile.

Within Greater China

In January 2026, an IND application was approved by the CDE of NMPA for the treatment of advanced solid tumors. A Phase 1/2 trial in China is ongoing.

Global collaboration with Crescent Biopharma

In December 2025, we and Crescent Biopharma entered into a strategic collaboration for SKB105/CR-003. Under the collaboration, we granted Crescent Biopharma exclusive rights to research, develop, manufacture and commercialize SKB105/CR-003 in the United States, Europe and all other markets outside of Greater China.

SKB107

SKB107 is a RDC drug jointly developed by us and the Affiliated Hospital of Southwest Medical University (西南醫科大學附屬醫院) targeting bone metastases in solid tumors. The Phase 1 study is ongoing.

SKB315, SKB410/MK-3120, SKB571/MK-2750, SKB575, SKB518, SKB500, SKB535/MK-6204, SKB445, SKB105 AND SKB107 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Tagitanlimab (PD-L1 mAb, also known as A167) (科泰莱®)

Tagitanlimab is a humanized mAb that targets PD-L1, an important immune checkpoint protein. Targeting PD-L1 and its receptor PD-1 have become the cornerstone of cancer immunotherapy, with PD-(L)1 mAbs now widely recognised as a front-line cancer immunotherapy agent. To further elicit the anti-tumor activity of PD-(L)1 mAbs, the market has witnessed encouraging clinical development advancement of PD-(L)1 mAbs-based combination strategies in recent years, with an aim to achieve synergistic efficacies, boost response rates, overcome heterogeneity across patients, and relieve treatment resistance.

We have developed tagitanlimab as the backbone of our immunotherapy franchise, not only as a monotherapy but, more importantly, to be used in combination with our ADCs and other oncology assets.

In December 2024, we received marketing authorization in China from NMPA for tagitanlimab for the treatment of patients with recurrent or metastatic NPC who have failed after prior 2L+ chemotherapy. In January 2025, we received marketing authorization of tagitanlimab used in combination with cisplatin and gemcitabine for the first-line treatment of patients with recurrent or metastatic NPC in China from NMPA. Tagitanlimab is the first PD-L1 mAb globally to receive authorization for the first-line treatment of NPC. Moreover, we are actively exploring tagitanlimab's potential as an early-line treatment in combination with our ADC assets to maximize the clinical value of our oncology franchise.

Based on a randomized, double-blinded, placebo controlled, multi-center, Phase 3 clinical study which evaluates the efficacy and safety results of tagitanlimab in combination with cisplatin and gemcitabine versus placebo in combination with cisplatin and gemcitabine for the treatment of recurrent or metastatic NPC, as presented at the ASCO Annual Meeting in May 2025, tagitanlimab used in combination with cisplatin and gemcitabine for the first-line treatment of recurrent or metastatic NPC has better PFS, higher ORR and extended DoR compared with chemotherapy, and has benefitted all patients regardless of PD-L1 expression. The median PFS for tagitanlimab in combination with chemotherapy is not reached compared to 7.9 months for placebo in combination with chemotherapy (HR=0.47, 95% CI: 0.33-0.66, p<0.0001), and the risk of disease progression and death is reduced by 53%; ORR is 81.7% vs 74.5%; median DoR is 11.7 vs 5.8 months (HR=0.48, 95% CI: 0.32-0.70), which is nearly double compared to the placebo arm; the beneficial trend for OS of tagitanlimab in combination with chemotherapy has already been observed (HR=0.62, 95% CI: 0.32-1.22), and its risk of death is reduced by 38%.

TAGITANLIMAB FOR THE TREATMENT OF OTHER INDICATIONS NOT YET APPROVED MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Cetuximab N01 (EGFR mAb, also known as A140) (达泰莱®)

Cetuximab N01 is a recombinant anti-EGFR human-mouse chimeric mAb that can inhibit the growth and survival of EGFR-expressing tumor cells.

In February 2025, we received marketing authorization in China from the NMPA for Cetuximab N01 Injection used in combination with FOLFOX or FOLFIRI regimens for first-line treatment of RAS wild-type mCRC.

As demonstrated by a large-scale domestic Phase 3 clinical study conducting a head-to-head comparison of Cetuximab N01 Injection with Cetuximab Solution for Injection (Erbitux®), the Cetuximab N01 combination chemotherapy was clinical equivalent in ORR (Cetuximab N01 vs Cetuximab Solution for Injection (Erbitux®): 71.0% vs 77.5%; ORR ratio is 0.93 (95% CI: 0.87, 0.99)), and Cetuximab N01 did not demonstrate any clinically meaningful or statistically significant differences in DoR and PFS compared with Cetuximab Solution for Injection (Erbitux®) (median PFS: 10.9 months vs 10.8 months, HR: 1.03 (95% CI: 0.83, 1.28); median DoR: 10.2 months vs 9.5 months). As for safety, this study has sufficiently proven that the Cetuximab N01 combination chemotherapy is comparable in terms of safety, tolerance and immunogenicity to the Cetuximab Solution for Injection (Erbitux®) combination chemotherapy.

CETUXIMAB N01 FOR THE TREATMENT OF OTHER INDICATIONS NOT YET APPROVED MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Lunbotinib Fumarate Capsules (RET inhibitor, also known as A400/EP0031) (宁泰莱®)[9]

Lunbotinib Fumarate Capsules, a next-generation selective RET inhibitor, is positioned to be the first domestically developed next-generation selective RET inhibitor for treating RET+ solid tumors in China.

RET alterations have been reported to be a major oncogenic driver in about 2% of all cancers, most notably in NSCLC and MTC, the first two indications that Lunbotinib Fumarate Capsules is designed to target. Although two first-generation selective RET inhibitors were approved in China for RET+ solid tumors as at December 31, 2025, their therapeutic benefits are limited, in part, by acquired RET drug-resistant mutations and safety issues such as hypertension and hematological toxicity, underscoring the need for novel selective RET inhibitors with improved safety and better efficacy against drug resistant mutations. Lunbotinib Fumarate Capsules is designed with a novel proprietary molecular structure to address selective RET inhibitor resistance while maintaining target selectivity, efficacy and safety with reduced manufacturing cost and difficulty.

Through our collaboration and license agreement, Ellipses Pharma is progressing their Phase 2 clinical study globally outside of China.

Within Greater China

An NDA was accepted for review by the CDE of the NMPA of China for the 1L+ treatment of adult patients with RET-fusion positive locally advanced, or metastatic NSCLC. We are also conducting a Phase 1b/2 clinical study for RET+ MTC and solid tumor in China.

Our results from the Phase 1 study of Lunbotinib Fumarate Capsules in patients with advanced RET-mutant MTC were presented at the ASCO Annual Meeting in May 2025. The confirmed ORR was 63.0% and the DCR was 100% for overall population. The confirmed ORR was 56.3% (9/16) and 62.5% (5/8) in patients with prior MKI or treatment naïve, respectively. Median DoR was not reached, with the longest duration still ongoing at 25.8 months. Similarly, median PFS was not reached, with the 24-month PFS rate of 77.8%.

Global collaboration with Ellipses Pharma

In March 2021, we granted Ellipses Pharma, a U.K.-based international oncology drug development company, an exclusive license to develop, manufacture and commercialize Lunbotinib Fumarate Capsules outside Greater China and certain Asian countries.

In April 2024, Lunbotinib Fumarate Capsules was cleared by the FDA to progress into Phase 2 clinical development.

LUNBOTINIB FUMARATE CAPSULES MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

SKB118/CR-001 (PD-1/VEGF bsAb)

SKB118 is a tetravalent bsAb being developed for the treatment of solid tumors that combines two complementary, validated mechanisms in oncology via a blockade of PD-1 and VEGF. PD-1 checkpoint inhibition is aimed at restoring T cells' ability to recognize and destroy tumor cells, and blocking VEGF is intended to reduce blood supply to tumor cells and to inhibit tumor growth.

In preclinical studies, SKB118 demonstrated cooperative pharmacology with increased binding to PD-1 and signal blockade in the presence of VEGF as well as robust anti-tumor activity. SKB118's anti-VEGF activity may also normalize the vasculature at the tumor site, which has the potential to improve the localization and effectiveness of combination therapies, such as the administration of SKB118 with ADCs.

[9] Trade name to be approved by NMPA.

Global collaboration with Crescent Biopharma

In December 2025, we and Crescent Biopharma entered into a strategic collaboration for SKB118. Under the collaboration, Crescent Biopharma granted us exclusive rights to research, develop, manufacture and commercialize SKB118/CR-001 in Greater China.

In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for SKB118 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the first patient has been dosed in February 2026.

Within Greater China

We plan to initiate the Phase 1/2 clinical study for SKB118 in China in the first half of 2026.

SKB118 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Our non-oncology franchise

Our non-oncology franchise covers a range of diseases and conditions with large patient populations and medical needs, with a primary focus on immune-mediated diseases, including moderate-to-severe asthma and thromboembolic disorders.

SKB378 (TSLP mAb)

SKB378 is a novel, recombinant fully human mAb that potently binds to the TSLP ligand and inhibits the TSLP mediated signaling pathway by blocking the interaction between TSLP and TSLP receptor. This is a well-validated cytokine that plays a key role in the development and progression of a wide array of immunological conditions, including asthma and COPD where inhibition has demonstrated benefit in a wide array of inflammatory phenotypes. SKB378 has been engineered to achieve an extended half-life and effector silencing and is subcutaneously administered.

SKB378 started as a co-development project jointly conducted by the Company and Harbour BioMed (also known as HBM9378), with both parties equally sharing global rights.

Within Greater China

We received IND approval for moderate-to-severe asthma from the NMPA in February 2022, and we have completed Phase 1 clinical trial in healthy subjects in China. In January 2025, an IND application for SKB378 for the treatment of COPD was approved by the NMPA.

Global collaboration with Windward Bio

In January 2025, it was announced that we and Harbour BioMed had entered into an exclusive license agreement with Windward Bio, under which we and Harbour BioMed granted Windward Bio an exclusive license for the research, development, manufacturing and commercialization of SKB378/WIN378 globally (excluding Greater China and several Southeast and West Asian countries). Windward Bio has launched the Phase 2 POLARIS global trial in patients with asthma.

SKB378 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

SKB575 (TSLP/undisclosed target bsAb)

SKB575 is a long-acting bsAb targeting TSLP and an undisclosed antigen, with a dual mechanism of action. On one hand, by blocking the interaction between TSLP and its receptor, it inhibits TSLP-mediated signaling pathways and the activation of Th2 immune cells. On the other hand, binding to and blocking the undisclosed target generates a synergistic effect, overcoming resistance issues associated with TSLP single-target antibodies. SKB575 has been engineered to possess an extended half-life and favorable developability, enabling subcutaneous administration. Based on preclinical half-life data, the anticipated human half-life is expected to support dosing intervals of more than three months, positioning it as a potential best-in-class therapy.

According to the collaboration agreement with Harbour BioMed, we will lead the design and global development and commercialization of SKB575, with Harbour BioMed participating in the investment and development of this asset and sharing the benefits as agreed. In March 2026, an IND application for SKB575 for the treatment of atopic dermatitis was approved by the NMPA.

SKB575 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

SKB336 (FXI/FXIa mAb)

SKB336 is a novel FXI/FXIa mAb designed as an anticoagulant for preventing and treating thromboembolic disorders. Thromboembolic disorders are prevalent and potentially fatal conditions in which abnormally formed blood clots block blood vessels. The current mainstay anticoagulant therapies put patients at increased risks of severe and potentially life-threatening bleeding complications as their targets are also required for normal coagulation, leaving a need for novel effective anticoagulation agents with limited risk of bleeding. In published preclinical studies, FXI/FXIa deficiencies led to clot instability and prevented the occlusion of blood vessels, suggesting that targeting FXI/FXIa is potentially a safe and effective strategy for preventing and treating thromboembolic disorders.

We received IND approval from the NMPA in July 2021 for preventing and treating thromboembolic disorders. We have completed Phase 1 trial in China.

SKB336 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

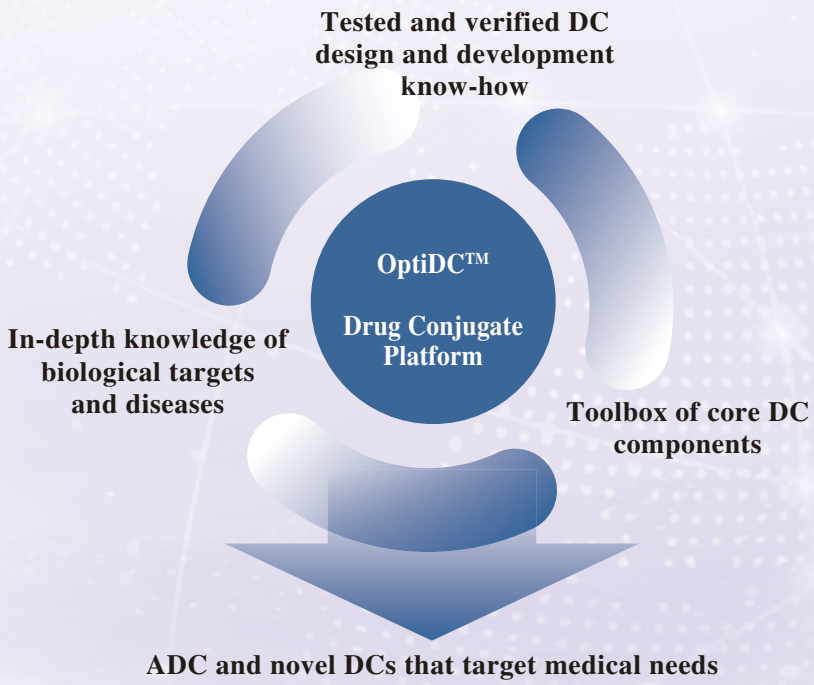
Apart from the above, we will continue to develop novel non-oncology assets to address highly prevalent chronic diseases currently without effective treatments, including autoimmune and metabolic diseases.

OUR TECHNOLOGY PLATFORMS

We have established three core platforms specializing in ADCs and novel DCs, biologics and small molecule technologies that serve as the foundation of our discovery and development of innovative medicines for medical needs in selected disease areas, such as oncology, autoimmune diseases and metabolic diseases. These platforms cover the entire R&D process for different drug modalities and work in tandem to allow cross-functional synergies at crucial stages of drug development.

- ***ADC and novel DC Platform.*** We are one of the first movers in the development of ADCs, with over a decade of accumulated experience in ADC development. According to Frost & Sullivan, we are one of the first biopharmaceutical companies in China, and one of the few globally, to establish an in-house developed ADC and novel DC platform, which supports our systematic development of ADCs and novel DCs across their entire lifecycle. Our ADC and novel DC platform, OptiDC™, is supported by three capability pillars – in-depth knowledge of biological targets and diseases, tested and verified DC design and development know-how, and a toolbox of core DC components. Through over a decade of development, we have developed a toolbox of core DC components which gives us the versatility to engineer customized ADCs and novel DCs optimized for different biological targets to address medical needs in a broad range of indications. We have honed our expertise in ADC and novel DC process development, manufacturing and quality management, which we believe is crucial in bringing our ADCs and novel DCs from bench to bedside. Notably, our ADC and novel DC platform is tested and verified through preclinical studies and clinical trials with thousands of patients enrolled.

  By leveraging our experience and data from drug discovery, translational medicine, process development and clinical studies over years of implementing our DC design strategies, we deploy a multi-pronged strategy to advance our ADC and novel DC platform. For oncology diseases, we are developing ADCs and novel DCs as a replacement for chemo-based cancer therapies, by (i) developing ADCs targeting novel targets with monoclonal, biparatopic and bispecific antibodies; (ii) expanding cytotoxic agents beyond common topoisomerase and tubulin inhibitors, and (iii) optimizing our conjugation technologies to enable precise control of the positioning and number of conjugated payloads including dual payloads. We are also developing novel DCs to replace non-chemo-based cancer therapies by developing ADC derivatives with innovative compound structure and diversified payloads other than cytotoxins such as RDCs, iADCs and DACs, etc. Beyond oncology diseases, we are developing ADCs and novel DCs with non-cytotoxic payloads for other disease indications such as autoimmune disease.



- ***Biologics Platform.*** Our extensive biologics platform enables the creation and refinement of cutting-edge mAb/bsAb medicines across the entire drug development lifecycle – from target biology to clinical-grade biologics. By integrating advanced technologies and workflows, including single B cell screening, next-generation sequencing, and high-throughput screening and analysis, the platform accelerates the generation of innovative antibodies with desired properties. Leveraging AI-powered epitope prediction, physiochemical profiling, and precision antibody engineering, we guide the antibody discovery toward specific epitopes with enhanced therapeutic potential. This approach addresses challenges associated with complex targets, improves druggability, and ensures optimal functional characteristics. Antibody discovery platforms drive the development of mAbs/bsAbs and ADCs and novel DCs for treating cancer, autoimmune diseases and metabolic diseases, and possess end-to-end antibody development capabilities ranging from antibody discovery and optimization to bioprocessing and scale-up manufacturing.

- ***Small Molecule Platform.*** Our small molecule platform is driven by the integration of medicinal chemistry, CADD (computer-aided drug design) and AIDD technologies, such as molecular docking, pharmacophore modeling, FEP (free energy perturbation) calculations, ADMET (absorption, distribution, metabolism, elimination and toxicity) prediction, and de novo molecule generation. These capabilities enable us to be highly efficient in compound optimization in early-stage research, which help rationalize and accelerate our preclinical drug discovery. We are also exploring state-of-the-art technologies such as PROTAC to navigate challenging protein targets.

RESEARCH AND DEVELOPMENT

Our in-house R&D capabilities, built on three technology platforms, give us control and visibility over our R&D process, reduce our reliance on CROs and enable us to ensure the quality and efficiency of our drug development programs.

Our R&D team comprises industry veterans with extensive experience of driving drug development programs at leading biopharmaceutical companies. We have a comprehensive in-house R&D engine covering drug discovery, translational medicine, process development and clinical research.

- ***Drug Discovery.*** Our drug discovery team plays a fundamental role in our development of innovative drugs to address medical needs. Our discovery team comprises medicinal chemists, computational chemists, protein scientists, biologists, immunologists and is led by experts with years of experience working at multinational corporations. Through bringing over 10 drug candidates into clinical development, we have accumulated in-depth know-how and streamlined our drug discovery workflows for ADCs and novel DCs, biologics and small molecules. Our research platform supports in-house capabilities covering target validation, mechanism study, candidate design and selection (including computer-aided approaches), with a goal to consistently design and engineer differentiated drug candidates with high clinical values to enrich our pipeline.

- ***Translational Medicine.*** Our translational medicine scientists work closely to facilitate the bridging of our drug discovery and preclinical studies with clinical needs, with an aim to bring differentiated drug candidates to market. Their interdisciplinary research encompasses a wide range of studies from AI, pharmacology, drug metabolism and pharmacokinetics, toxicology to biomarker development. Our translational medicine team plays a key role in improving the success rates, time-efficiency and cost-effectiveness of our clinical trials.

- ***Process Development.*** Our process development team is responsible for developing a quality, scalable, and robust process for our ADC and novel DC, antibody and small molecule drugs. They have extensive experience in process optimization and scale-up, analytical method development and validation, quality criteria establishment, and technology transfer for clinical and commercial manufacturing. We are guided by a quality-by-design concept to scientifically design process performance characteristics, which underlies our consistent, high quality manufacturing of drug products.

- ***Clinical Research.*** We have a robust clinical research team located across our four clinical centers in Beijing, Shanghai, Chengdu and the U.S. Our clinical scientists are highly experienced at formulating clinical development plans, selecting indications, and determining regulatory pathways. Their rich experience in regulatory communication, both in China and overseas, also plays a key role in advancing our clinical development plans towards successful commercialization.

We have introduced AI into several R&D processes to further improve R&D efficiency. For instance, beyond enabling AI-assisted affinity maturation, physicochemical optimization, and binding site prediction of antibodies, AIDD technologies are now driving fundamental innovation in small-molecule platforms. They have facilitated the efficient discovery of multiple novel scaffolds with significant differentiation advantages. For translational medicine, through the use of commercial AI databases and self-built AI platforms, the gene pathway analysis and toxicity mechanism prediction of innovative targets have been optimized, and the risk control methods of innovative R&D have been improved. In clinical studies, an intelligent risk monitoring platform has been developed using AI tools to accurately assess and guide clinical monitoring frontline work; in addition, the development of AI-assisted programming languages has effectively improved the work efficiency.

OUR LICENSE AND COLLABORATION ARRANGEMENTS

While we are primarily engaged in in-house drug development, we also believe that an open and collaborative mindset is crucial to the success of our global strategy. Along each step of our drug development plans – from drug discovery to commercialization – we proactively pursue external collaborations, licensing arrangements and other strategic partnerships to create synergies with our pipeline and technology platforms.

Set forth below is a summary of our key license and collaboration agreements:

- ***Collaboration with MSD.*** We have entered into license and collaboration agreements with MSD to develop multiple ADC assets for cancer treatment.

  - ***Sac-TMT:*** We have granted MSD an exclusive, royalty-bearing and sub-licensable license to develop, use, manufacture and commercialize sac-TMT outside Greater China. We retain the right to develop and commercialize sac-TMT within Greater China. As at the date of this annual report, MSD is evaluating 17 ongoing Phase 3 global clinical studies of sac-TMT as a monotherapy or with pembrolizumab or other agents for several types of cancer. The following studies are sponsored and led by MSD:

    - BC.

      - Adjuvant sac-TMT plus pembrolizumab versus TPC in TNBC who received neoadjuvant pembrolizumab plus chemotherapy and did not achieve a pCR at surgery;

      - Sac-TMT as a monotherapy and in combination with pembrolizumab versus TPC in participants with previously untreated locally recurrent unresectable or metastatic TNBC expressing PD-L1 at CPS<10;

      - Sac-TMT as a single agent and in combination with pembrolizumab versus TPC in participants with unresectable locally advanced or metastatic HR+/HER2-BC (after one or more lines of ET);

      - Sac-TMT followed by carboplatin/paclitaxel versus chemotherapy, both in combination with pembrolizumab as neoadjuvant therapy for high-risk, early-stage TNBC or HR-low positive/HER2-negative BC;

- LC.
  - Adjuvant sac-TMT plus pembrolizumab versus pembrolizumab in adult participants with resectable NSCLC not achieving a pCR after receiving neoadjuvant pembrolizumab with platinum-based doublet chemotherapy followed by surgery;
  - Sac-TMT in combination with pembrolizumab versus pembrolizumab monotherapy in the first-line treatment of participants with metastatic NSCLC expressing PD-L1 greater than or equal to 50 percent;
  - Sac-TMT monotherapy versus standard chemotherapy for the treatment of previously treated advanced or metastatic NSCLC with EGFR mutations or other genomic alterations (after 1 or 2 prior lines of EGFR-TKI and 1 platinum-based therapy after progression on or after EGFR-TKI);
  - Sac-TMT versus pemetrexed and carboplatin combination therapy in participants with EGFR-mutated, advanced non-squamous NSCLC who have progressed on prior EGFR-TKI;
  - Sac-TMT in combination with pembrolizumab versus pembrolizumab as maintenance treatment in the first-line treatment of metastatic squamous NSCLC after induction treatment with pembrolizumab plus carboplatin and paclitaxel or nab-paclitaxel;
- Gynecological cancer.
  - Sac-TMT monotherapy versus chemotherapy for the treatment of EC who have received prior platinum-based chemotherapy and immunotherapy;
  - Sac-TMT in combination with pembrolizumab versus pembrolizumab alone as treatment in participants with mismatch repair proficient EC;
  - Sac-TMT monotherapy versus TPC as second-line treatment for participants with recurrent or metastatic CC;
  - Sac-TMT in patients with platinum-sensitive recurrent OC who have received 2L chemotherapy;
  - Sac-TMT in combination with pembrolizumab with or without Bevacizumab compared with SOC as 1L maintenance treatment for participants with persistent, recurrent, or newly diagnosed metastatic CC with PD-L1 CPS≥1;
  - Sac-TMT maintenance treatment with or without Bevacizumab versus SOC in participants with newly diagnosed advanced HRD-negative OC following 1L platinum-based chemotherapy;
- GI cancer. Sac-TMT in 3L+ advanced/metastatic GEA; and
- GU cancer. Sac-TMT in pretreated metastatic UC.

We are also collaborating with MSD on several global Phase 2 basket studies for sac-TMT as monotherapy or in combination with other agents for multiple solid tumors and those studies are ongoing.

- ***Other ADC assets:*** In addition to sac-TMT, we are also collaborating with MSD on certain ADC assets to continuously explore favorable ADC pipeline portfolios. Through our ADC pipelines, we aim to cover a wide range of tumor indications via different targets, to apply differentiated payload-linker strategies for ADC assets with different targets to achieve better efficacy and/or differentiated safety profiles, and through various strategies, to explore ADCs in combination. We have granted MSD exclusive global licenses to research, develop, manufacture and commercialize multiple ADC assets and exclusive options to obtain additional licenses to certain other ADC assets. We retain the right to research, develop, manufacture and commercialize certain licenses and option ADCs for Chinese mainland, Hong Kong and Macau.

- ***Collaboration with Ellipses Pharma.*** In March 2021, we entered into a collaboration and license agreement with Ellipses Pharma, under which we granted Ellipses Pharma an exclusive, revenue sharing, royalty-bearing, sub-licensable license to develop, manufacture and commercialize Lunbotinib Fumarate Capsules. Lunbotinib Fumarate Capsules is known as EP0031 by Ellipses Pharma. The license includes all countries excluding Greater China, North Korea, South Korea, Singapore, Malaysia and Thailand.

  In April 2024, Lunbotinib Fumarate Capsules was cleared by the FDA to progress into Phase 2 clinical development. As at December 31, 2025, a total of 39 clinical sites in the United States, Europe and UAE were set up for Lunbotinib Fumarate Capsules.

- ***Collaboration with Windward Bio.*** In January 2025, it was announced that we and Harbour BioMed had entered into an exclusive license agreement with Windward Bio, under which we and Harbour BioMed granted Windward Bio an exclusive license for the research, development, manufacturing and commercialization of SKB378/WIN378[10] globally (excluding Greater China and several Southeast and West Asian countries).

  In return, we and Harbour BioMed are eligible to receive a total of up to US$970 million upfront and milestone payments as well as single to double-digit tiered royalties on net sales of SKB378/WIN378. The US$45 million upfront and near-term payments include both cash consideration and equity in the parent company of Windward Bio. The payments to be made by Windward Bio under the license agreement shall be paid in equal amounts to us and Harbour BioMed.

  Windward Bio has launched the Phase 2 POLARIS global trial in patients with asthma.

- ***Collaboration with Crescent Biopharma.*** In December 2025, we and Crescent Biopharma entered into a strategic collaboration for SKB105/CR-003 and SKB118 (a PD1 × VEGF bsAb, also known as CR-001). Under the collaboration, we granted Crescent Biopharma exclusive rights to research, develop, manufacture and commercialize SKB105/CR-003 in the United States, Europe and all other markets outside of Greater China. In addition, Crescent Biopharma granted us exclusive rights to research, develop, manufacture and commercialize SKB118/CR-001 in Greater China. The partnership includes the development of these candidates as monotherapies, and also the evaluation of SKB118/CR-001 in combination with SKB105/CR-003. Both we and Crescent Biopharma have the right to independently develop SKB118/CR-001 in additional combinations, including combinations of SKB118/CR-001 with proprietary ADC pipeline assets.

[10] SKB378 is known as HBM9378 in Harbour BioMed's pipeline and WIN378 in Windward Bio's pipeline.

Under the collaboration, we are eligible to receive an upfront payment of US$80 million from Crescent Biopharma and additional milestones of up to US$1.25 billion, plus tiered middle single-digit to low double-digit royalties on net sales of SKB105/CR-003. We are also eligible to receive additional payment from Crescent Biopharma if Crescent Biopharma undergoes a near-term change of control or enters into a sublicense agreement with a third party. Crescent Biopharma is also eligible to receive an upfront payment of US$20 million from us and additional milestones of up to US$30 million, plus tiered low to middle single digit royalties on net sales of SKB118/CR-001.

In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for SKB118 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the first patient has been dosed in February 2026.

MANUFACTURING AND QUALITY MANAGEMENT

We believe a well-established manufacturing and quality management system serves as the cornerstone of our commercialization and underlies our ability to enhance our R&D capabilities and advance clinical development. Our manufacturing and quality management system is capable of supporting the production of antibodies (including mAb and bsAb), ADCs and novel DCs and innovative small-molecule drugs (including radioactive pharmaceuticals). This system helps ensure the consistent, stable, and controllable quality of our clinical and commercialized products.

- ***Manufacturing.*** Our main manufacturing site in Chengdu is one of the few facilities in China with cGMP-compliant, end-to-end capabilities covering the entire lifecycle of antibody and ADC drugs, encompassing the full-spectrum production process from cell culture and purification for antibody manufacturing, through payload and linker synthesis and ADC conjugation, to Fill and Finish. Our ADC manufacturing facilities have an annual production capacity of 50 batches (or 1.4 million vials) of freeze-dried ADCs or 100 batches (or 2 million vials) of injectable ADCs. Our antibody manufacturing facilities have an annual production capacity of 60 batches (or 750,000 vials) of freeze-dried formulation or 100 batches (or 2.6 million vials) of injectable solutions.

- ***Quality Management.*** We continuously promote the improvement of a comprehensive quality management system throughout the entire product lifecycle to ensure compliance with cGMP standards and regulatory developments in China, the United States, and Europe. The Company prioritizes quality, strengthens the segmented contract manufacturing management system for biological products, and achieves collaborative operations across multiple production sites and enterprises by dividing the production process into multiple stages. Through "standardized division of labor and refined management", we enhance quality control, drive regulatory innovation, prioritize patients' benefits, and improve supply chain security and drug accessibility. On October 14, 2025, our innovative ADC biological product, trastuzumab botidotin for injection (舒泰莱®), received official approval from the NMPA, marking it as the first ADC drug in China approved under a cross-province segmented production model.

COMMERCIALIZATION

We have received marketing authorization for sac-TMT (佳泰莱®), tagitanlimab (科泰莱®), Cetuximab N01 (达泰莱®) and trastuzumab botidotin (舒泰莱®) and have commenced their commercialization. We have also filed an NDA for Lunbotinib Fumarate Capsules (宁泰莱®)[11] and expect to commence its commercialization in the first half of 2027, subject to regulatory communications and marketing approval. Three of our commercialized products, namely sac-TMT (佳泰莱®), tagitanlimab (科泰莱®) and Cetuximab N01 (达泰莱®), were for the first time successfully included in the National Reimbursement Drug List which has officially taken effect since January 1, 2026.

[11] Trade name to be approved by NMPA.

Currently, our businesses have covered 30 provinces, over 300 prefectures and over 1,200 hospitals, and reached tens of thousands of healthcare professionals through various types of marketing campaigns to convey product and medical professional information. In addition, we have obtained authoritative endorsement for our products from experts in clinical guidelines, such as "Guidelines of CSCO: Breast Cancer 2025 (CSCO乳腺癌診療指南2025)", "Guidelines of CSCO: Non-Small Cell Lung Cancer 2025) (CSCO非小細胞肺癌診療指南2025)", "Guidelines of CSCO: Nasopharyngeal Carcinoma 2025 (CSCO鼻咽癌診療指南2025)", "CBCS&CSOBO Guidelines for Breast Cancer Diagnosis and Treatment (2026 Concise Edition) (CBCS&CSOBO乳腺癌診治指南與規範(2026年精要本))", "Guidelines for Diagnosis and Treatment of Advanced Breast Cancer in China (2024 edition) (中國晚期乳腺癌規範診療指南(2024版))" and "Chinese Medical Association Clinical Practice Guidelines for Lung Cancer (中華醫學會肺癌臨床診療指南(2025版))", providing further support for the commercialization process.

As at the date of this annual report, we have established a fully-fledged commercialization team of over 600 people, dedicated to preparing and implementing the commercialization of our strategic products. Within the commercialization team, we have established a departmental structure that includes marketing, sales, distribution and market access, medical affairs, strategic planning and commercial excellence as well as marketing compliance and KA functions. The commercialization team will continue to expand to capture more market opportunities in the future as more products and indications are launched and are included in the medical insurance. Currently, among the commercialized products and therapeutic areas, the business team is divided into breast cancer, lung cancer, and other tumors based on indications, and the synergy of the indications of commercialized products are conducive to the implementation of marketing and promotional activities.

In 2025, our products were sold primarily through DTP pharmacies. We have established stable relationships with multiple leading commercial and distribution groups, including over 60 Tier 1 distributors and over 400 DTP pharmacies. A hierarchical management system for pharmacy retail has been adopted and trainings have been provided to nearly 10,000 pharmacists in 2025. By organizing nationwide pharmacy trainings, the company has significantly enhanced the professionalism of terminal services and improved the ability to provide patients with medication guidance.

We have actively optimized our network strategy. In 2025, sac-TMT (佳泰莱®), tagitanlimab (科泰莱®) and Cetuximab N01 (达泰莱®) have been included in 31 provincial networks, and trastuzumab botidotin (舒泰莱®) has been included in 5 provincial networks, ensuring rapid market access through provincial procurement channels. On December 7, 2025, National Healthcare Security Administration (NHSA) and the Ministry of Human Resources and Social Security published the updated National Reimbursement Drug List (國家醫保藥品目錄). Five indications from three of our commercialized products, namely sac-TMT (佳泰莱®), tagitanlimab (科泰莱®) and Cetuximab N01 (达泰莱®), were for the first time successfully included in the list which has officially taken effect since January 1, 2026. Meanwhile, to further reduce the burden of patients and implement the concept of inclusive healthcare, we have been proactively facilitating the enrollment of sac-TMT (佳泰莱®) in provincial and prefecture city level Inclusive Insurance (惠民保). As at the end of the Reporting Period, sac-TMT (佳泰莱®) has been enrolled in more than 14 provinces and 30 cities.

Globally, we will continue to pursue a flexible strategy to capture the commercial value in major international markets, through forging synergistic license and collaboration opportunities worldwide.

AWARDS AND RECOGNITION

In May 2025, the Company was awarded "Asia's Best Company" by FinanceAsia (亞洲金融).

In May 2025, the Company received a series of industry awards from Extel (formerly Institutional Investor Research) (前稱"機構投資者"), including "Most Honored Company", "Best Company Board", "Best CEO", "Best CFO" and etc..

In May 2025, the Company was awarded "IRM OF CHINESE LISTED COMPANIES" by Securities Times (證券時報).

In July 2025, the Company was recognized with the "China Pharmaceutical Emerging Innovative Force Award" by the China National Pharmaceutical Industry Information Center (中國醫藥工業信息中心).

In August, 2025, the Company entered the "2025 Fortune China Tech 50" list released by Fortune (財富).

In September, 2025, the Company and its core product TROP2 ADC sac-TMT (佳泰萊®) entered the respective "Industry-leading Biotech Company" and "Industry-leading Innovative Drug" list (among other lists, "Ten-Year Glory Award for China's Innovative Drugs") released by PharmCube (醫藥魔方).

In November 2025, the Company was recognized with the "2025 Excellent Hong Kong Stock Company Golden Bull Award" by the China Securities Journal (中國證券報).

In November 2025, the Company entered the "2025 Forbes China Innovative Companies 50 List" released by Forbes (福布斯).

In January 2026, the Company was awarded "Best Innovative Rising Biotech Award" for the First Mount Hua Award for Innovative Drugs by MedJ (醫學界) and TONACEA (同寫意).

In January 2026, Hurun Research Institute released the Hurun China Unicorn Graduates 2025 list in search of China's most successful former unicorns. The Company made the list after the inclusion of the 2023 Global Unicorn Index released in April 2023.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have established a comprehensive three-tier ESG governance structure consisting of the Board of Directors, ESG Working Group and ESG Executive Body. Among them, the Board of Directors serves as the highest responsible and decision-making body for ESG management and information disclosure, guiding and supervising the Company's ESG development. Through the establishment and continuous improvement of the ESG governance structure, the Company comprehensively enhances ESG performance ability and ensures the Company's sustainable development. In May 2025, the Company was awarded "Best ESG" by Extel (formerly Institutional Investor Research) (前稱"機構投資者"). In March 2026, the Company had received a rating of "AA" in the MSCI ESG Rating Assessment.

To address the climate-related risks outlined in section 5.1 "Responding to Climate Change" in the 2024 ESG report, we have taken proactive response measures, such as the investigation of Scope 1 & 2 greenhouse gas emissions and part of Scope 3 greenhouse gas emissions (employee business travel and employee commuting). To respond to extreme rainstorm, we organized and carried out flood control and emergency drills in 2025, with the participation of 42 employees. In 2025, we did not identify any material impact of climate-related risks on business-level operations. We have taken climate change as a key issue and communicated with stakeholders through channels such as the ESG report by sending questionnaires to stakeholders and reviewing their responses and other means. We have also taken relevant measures in terms of resource management and emissions management to mitigate and regulate climate change. In addition, we have formulated corresponding future plans to further address climate-related risks, such as tracking relevant laws and policies annually to ensure timely response when required.

INDUSTRY AND REGULATION POLICIES

In 2025, China's anti-tumor drug industry continued to maintain a growth momentum with the market size of China's anti-tumor drug reached RMB258.2 billion in 2024 and is projected to rise to RMB528.2 billion by 2030, according to Frost & Sullivan, indicating market growth potential[12]. From January to May 2025, the number of approved Class 1 innovative drugs in China exceeded 20, setting a new record for the same period in the past five years[13].

The ADC sector has become a key engine for breakthroughs in domestic innovative drugs. The domestic market size is projected to reach RMB15.9 billion in 2026 and rise to RMB66.2 billion by 2030, representing a CAGR of around 43%[14]. The large patient population provides solid support for the oncology drug market. According to National Cancer Center of China, there were 1.06 million, 357 thousand, 517 thousand and 359 thousand new incidences for LC, BC, rectal cancer and GC, respectively, in China in 2022. Unmet clinical needs continue to drive innovative R&D and market expansion.

To further support the high-quality development of domestic innovative drugs, the Chinese government continued to deepen the reform of the drug review and approval process in 2025, and issued the Opinions on Comprehensively Deepening the Regulation Reform of Drugs and Medical Devices and Promoting the High-Quality Development of the Pharmaceutical Industry ("關於全面深化藥品醫療器械監管改革促進醫藥產業高質量發展的意見") ("**Document No. 53**"). In response to exploration of the segmented production of biological products proposed in Document No. 53, we have taken the lead in completing the segmented production of our innovative ADC biological product trastuzumab botidotin (舒泰莱®), the details of which are set out in the section headed "Manufacturing and Quality Management". In addition, Document No. 53 proposes the establishment of a 30-day review and approval channel for IND application of innovative drugs, as well as prioritized review for key innovative drugs urgently needed in clinical practice. In response, a number of products in various provinces have been rapidly approved through pilots, shortening the commercialization cycle of innovative oncology drugs. Based on Document No. 53, the revised Regulations for the Implementation of the Drug Administration Law ("藥品管理法實施條例") was issued on January 16, 2026, which further encourages drug innovation.

On July 1, 2025, the NHSA and the National Health Commission (NHC) jointly issued the Several Measures to Support the High-Quality Development of Innovative Drugs ("支持創新藥高質量發展的若干措施"), further elaborating and emphasizing the policies for innovative drug access. Five indications from three of our commercialized products were successfully included in the updated National Reimbursement Drug List published on December 7, 2025, highlighted by the inclusion of TNBC indication of sac-TMT (佳泰莱®) with a reasonable price, which fills in the protection gap of the National Reimbursement Drug List, reflecting the NHSA's support for "genuine innovation and differentiated innovation". Following the implementation of the updated National Reimbursement Drug List since January 1, 2026, market access for our three commercialized products has progressed well in many provinces.

We also recognize the risks to China's innovative drug industry arising from US-China trade relations. In February 2025, the United States issued the Memorandum on America First Investment Policy, which expanded US investment restrictions on technology sectors. In response to US investment restrictions on China, China has intensified scrutiny of overseas direct investment (ODI) to the US, imposing certain constraints on Chinese capital's overseas investments in the biotechnology field.

For other principal risk and uncertainties facing the Group, please refer to the section headed "Principal Risks and Uncertainties" in the annual report of the Company for the year ended December 31, 2024.

12 Frost & Sullivan, China ADC Market Report 2024-2030.
13 Xinhuanet, 2025.6.4.
14 Frost & Sullivan analysis.

II. FINANCIAL REVIEW

Overview

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

Revenue

During the Reporting Period, our revenue consisted of (i) revenue from our license and collaboration agreements (see "Our License and Collaboration Arrangements" above in this annual report for details); (ii) revenue from research and development services; and (iii) revenue from sales of pharmaceutical products. The following table sets forth the components of our revenue in absolute amounts for the period indicated:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Revenue from license and collaboration agreements	**1,498,044**	1,863,071
Revenue from provision of research and development service	**17,175**	18,276
Revenue from sales of pharmaceutical products	**542,701**	51,698
	2,057,920	1,933,045

The Group's revenue for the year ended December 31, 2025 was RMB2,057.9 million, representing an increase of 6.5% compared to RMB1,933.0 million for the year ended December 31, 2024. The increase was mainly attributable to the increase in the sales of pharmaceutical products which contributed RMB542.7 million in revenue.

Cost of Sales

During the Reporting Period, our cost of sales was primarily related to the R&D activities we conducted in accordance with our license and collaboration agreements, the R&D services we provided to Kelun Group and other third parties, and the production of our pharmaceutical products. Our cost of sales primarily consisted of (i) trial and testing expenses, primarily in relation to the engagement of CROs, clinical trial sites, principal investigators and other service providers for the R&D services we provided to other third parties in accordance with our license and collaboration agreements; (ii) employee salaries and benefits for R&D staff; and (iii) others, including cost of goods sold (COGS) of pharmaceutical products, tax and surcharge, costs of raw materials and other consumables, depreciation and amortization expenses in connection with the machinery and equipment used, transportation expenses, and office expenses and other miscellaneous expenses.

The following table sets forth a breakdown of our cost of sales in absolute amounts for the period indicated.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Staff costs	**66,285**	95,098
Trial and testing expenses	**423,069**	493,053
Others	**89,785**	71,237
Total	**579,139**	659,388

The Group's cost of sales for the year ended December 31, 2025 was RMB579.1 million, representing a decrease of 12.2% compared to RMB659.4 million for the year ended December 31, 2024. The decrease was mainly because staff costs, trial and testing expenses related to collaboration projects decreased in 2025.

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales. As a result of the aforementioned factors, the gross profit of the Group increased by 16.1% from RMB1,273.7 million for the year ended December 31, 2024 to RMB1,478.8 million for the year ended December 31, 2025.

Our gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of the Group increased from 65.9% for the year ended December 31, 2024 to 71.9% for the year ended December 31, 2025.

Other Net Income

During the Reporting Period, our other net income or expenses primarily consisted of (i) settlement income from an independent third party; (ii) interest income from bank deposits; (iii) government grants, mainly representing government subsidies from state and local government authorities in relation to our R&D activities and construction of our R&D and manufacturing facilities, which were one-off in nature and may vary from period to period; (iv) net realized and unrealized gain on financial assets measured at fair value through profit or loss (FVPL); (v) interest income from financial assets measured at amortized cost; (vi) net gains or losses on disposal of property, plant and equipment; (vii) net foreign exchange gains or losses which primarily reflected the increased or decreased value of assets or liabilities denominated in foreign currencies we hold resulting from fluctuations in exchange rate; and (viii) others.

The Group's other net income for the year ended December 31, 2025 was RMB145.2 million, representing an increase of RMB5.4 million compared to RMB139.8 million for the year ended December 31, 2024.

Administrative Expenses

During the Reporting Period, our administrative expenses primarily consisted of (i) staff costs, representing employee salaries and benefits, including the grant of restricted share units, for our administrative personnel; (ii) office and travel expenses in relation to our general operations; (iii) consulting service fees paid to agents, independent financial advisor and other professional service providers in the ordinary course of our business; and (iv) others, including depreciation and amortization expenses mainly associated with our office and equipment for administrative purposes, maintenance and repair expenses for office and equipment, recruitment expenses, and other miscellaneous expenses.

The following table sets forth a breakdown of our administrative expenses in absolute amounts for the periods indicated.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Staff costs	**132,074**	124,987
Consulting service fee	**20,037**	7,446
Office and travel expenses	**5,634**	9,192
Others	**20,974**	21,685
Total	**178,719**	163,310

The Group's administrative expenses for the year ended December 31, 2025 was RMB178.7 million, representing an increase of 9.4% compared to RMB163.3 million for the year ended December 31, 2024. The increase was primarily attributable to the increase in consulting service fee.

Selling and Distribution Expenses

During the Reporting Period, our selling and distribution expenses primarily consisted of (i) costs of staff salaries and benefits associated with sales and marketing activities; and (ii) conference and marketing expenses related to business activities, administrative expenses and others.

The following table sets forth a breakdown of our selling and distribution expenses in absolute amounts for the periods indicated.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Staff costs	**237,181**	91,807
Conference, marketing, administrative expenses and others	**238,071**	90,910
Total	**475,252**	182,717

The Group's selling and distribution expenses for the year ended December 31, 2025 was RMB475.3 million, representing an increase of 160.1% compared to RMB182.7 million for the year ended December 31, 2024. The increase was primarily attributable to (i) the continuous expansion of our commercialization team; and (ii) increased costs and expenses relating to marketing activities for our products. Since November 2024, several of the Group's pharmaceutical products were approved for marketing, and the Company officially launched commercial sales, and therefore, the costs of marketing and academic promotional activities, etc., correspondingly increased in 2025. For further details of the commercialization of our products, please see the section headed "Commercialization" of this annual report.

Research and Development Expenses

During the Reporting Period, our research and development expenses primarily consisted of (i) trial and testing expenses, primarily in relation to the engagement of CROs, clinical trial sites, principal investigators and other service providers; (ii) staff costs, representing employee salaries and benefits, including the grant of restricted share units, for our R&D personnel; (iii) raw materials costs in relation to research and development of our assets; and (iv) others, such as depreciation, amortization and short-term lease expenses, utilities, maintenance and repair costs, and expenses incurred for the application and maintenance of intellectual property rights in relation to our R&D activities.

The following table sets forth a breakdown of our research and development expenses in absolute amounts for the periods indicated.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Staff costs	**406,038**	390,898
Trial and testing expenses	**689,277**	531,817
Raw materials	**112,207**	155,742
Others	**112,153**	127,677
Total	**1,319,675**	1,206,134

The Group's R&D expenses for the year ended December 31, 2025 was RMB1,319.7 million, representing an increase of 9.4% compared to RMB1,206.1 million for the year ended December 31, 2024, mainly due to the increase in trial and testing expenses.

Finance Costs

During the Reporting Period, our finance costs primarily consisted of (i) interest expenses on lease liabilities and (ii) interest expenses on discounting of bills payable.

The Group's finance costs for the year ended December 31, 2025 was RMB6.2 million, representing an increase of 62.2% compared to RMB3.8 million for the year ended December 31, 2024. The increase in finance costs was primarily attributable to the rise in interest expenses on lease liabilities.

Income Tax

During the Reporting Period, our income tax consisted of current tax, withholding tax, and withholding tax refund. For the year ended December 31, 2024 and 2025, we recorded income tax of RMB124.2 million and RMB26.2 million, respectively.

PRC

Effective from January 1, 2008, the PRC statutory income tax rate is 25% under the enterprise income tax laws. Our subsidiaries in the PRC are subject to PRC income tax at 25% unless otherwise specified.

According to the enterprise income tax laws and its relevant regulations, entities that qualified as High and New Technology Enterprise are entitled to a preferential income tax rate of 15%. We obtained our certificate of High and New Technology Enterprise on December 3, 2020 and October 16, 2023 respectively and are entitled to preferential income tax of 15% from 2020 to 2026.

United States

Pursuant to U.S. income tax laws and regulations and the Agreement between the Government of the People's Republic of China and the United States of America for Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《中華人民共和國政府和美利堅合眾國政府關於對所得避免雙重徵税和防止偷漏税的協定》), we are subject to a 10% U.S. federal withholding tax, applied to certain payments made to us pursuant to the respective license and collaboration agreements.

The Company applied to the Internal Revenue Service to refund the US federal withholding tax and Internal Revenue Service reviewed this application on a case-by-case basis. In 2025, Internal Revenue Service refunded withholding tax of USD6,500,000 (equivalent to RMB46,715,000) to the Company.

Hong Kong

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the period. There were no assessable profits generating from the subsidiary incorporated in Hong Kong of the Group during the year ended December 31, 2025.

Loss for the Reporting Period

As a result of the foregoing, our loss for the Reporting Period increased by 43.2% from RMB266.8 million for the year ended December 31, 2024 to RMB382.0 million for the year ended December 31, 2025.

The Group also uses adjusted loss for the year calculated by deducting equity-settled share-based payment from loss for the year as an additional financial measure which is not required by or presented in accordance with the IFRS. This non-IFRS measure has limitations as an analytical tool and may not be comparable to a similarly titled measure presented by other companies. However, the Group believes that this non-IFRS measure is a reflection of its normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance and thus provides useful and meaningful information to the shareholders and the investing public.

Dividends

The Group implements an active profit distribution policy and strictly adheres to the following requirements:

Principle of profit distribution

The Company's profit distribution shall attach importance to the reasonable return on investment of investors, maintain the continuity and stability of profit distribution, and comply with the relevant provisions of laws and regulations. The distribution of profits by the Company shall not exceed the range of accumulated distributable profits and shall not harm the Company's ability to continue operations.

Means of profit distribution

The Company may distribute profits in cash, in shares or a combination of both cash and shares or as otherwise permitted by the laws, regulations and securities regulatory rules of the place where the Company's shares are listed. If the Company meets the conditions for cash dividends, cash dividends shall take priority as a form of profit distribution.

At the same time, the Company may distribute dividend in shares for its profit distribution based on its accumulated distributable profits, reserves and cash flow, providing that sufficient distribution in cash dividends and the reasonable capital size of the Company are ensured, taking into account reasonable factors such as the Company's growth and dilution of net assets per share. The specific proportion shall be considered and approved by the Board of the Company and submitted to the general meeting for consideration and approval.

Cash dividends and other payments by the Company to holders of H shares shall be denominated and declared in Renminbi and paid in foreign currency. The foreign currency for the cash dividends and other payments by the Company to holders of H shares and other holders of foreign shares shall be handled in accordance with state regulations on foreign exchange control.

When distributing dividends to shareholders, the Company shall withhold and turn over the tax payable on the dividend income of shareholders based on the amount distributed and in accordance with PRC tax laws.

Decision-making mechanism and procedures for specific profit distribution plans

The specific profit distribution plan of the Company shall be formulated by the Board and submitted to the general meeting for approval after being considered and approved by the Board. The Board and the general meeting shall fully consider the opinions of independent non-executive directors and medium and minority shareholders when formulating and considering specific plans for the Company's profit distribution.

Based on the financial status and the operation and development status of the Group, the Group did not have any profit available for distribution so far and hence the Board did not recommend the payment of a final dividend to shareholders for the year ended December 31, 2025.

Capital Management

As part of our cash management policy, we believe that we can make better use of our cash by utilizing wealth management products to better utilize our idle own funds without interfering with our business operations or capital expenditures. To monitor and control the investment risks associated with our financial assets measured at FVPL and financial assets measured at amortized cost, we have adopted a comprehensive set of internal policies and guidelines to manage our investment in financial assets measured at FVPL and financial assets measured at amortized cost. We make investment decisions based on our estimated capital requirements and our annual budget, taking into account the duration, expected returns and risks of the wealth management product.

Liquidity and Capital Resources

On June 12, 2025, the Company issued an aggregate of 5,918,000 new H Shares at a placing price of HK$331.8 per H Share pursuant to a placing agreement entered into by the Company and the Placing Agents. The net proceeds from the Placing amounted to approximately HK$1,943.0 million (equivalent to RMB1,777.4 million[15]).

During the Reporting Period, our cash and cash equivalents consisted of cash at bank, net of restricted bank deposits. We had cash and cash equivalents of RMB1,336.5 million and RMB3,243.8 million as at December 31, 2024 and 2025, respectively. The increase in our cash and cash equivalents primarily reflected the net proceeds from the Placing in June 2025.

As at December 31, 2024 and 2025, the balance of our financial assets measured at FVPL was RMB1,448.3 million and RMB935.3 million, respectively. As at December 31, 2024 and 2025, the balance of our financial assets measured at amortized cost was RMB284.0 million and RMB292.6 million, respectively. Such changes were primarily due to the purchase and maturity of wealth management products acquired by the Company.

Net Cash Used in Operating Activities

Our primary uses of cash during the Reporting Period were to fund our research and development activities, our selling and distribution activities, the construction of our research and development and manufacturing facilities, and purchase of equipment, machinery and intangible assets. We used net cash of RMB180.3 million in operating activities for the year ended December 31, 2025, compared to the net cash of RMB429.8 million used in operating activities for the year ended December 31, 2024. The decrease in cash used was primarily because of the cash inflow in 2025. During the Reporting Period, we financed our operations primarily through payments received in accordance with our license and collaboration agreements, ongoing collection from pharmaceutical products sales and proceeds from the Placing.

Borrowings and Debt-to-Equity Ratio

During the Reporting Period, the Company did not have any borrowings.

The debt-to-equity ratio is calculated by using interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity and multiplied by 100%. As at December 31, 2024 and 2025, the Group had more cash and cash equivalents than interest-bearing borrowings and lease liabilities and thus, debt-to-equity ratio is not applicable.

Net Current Assets

The Group's net current assets as at December 31, 2025 were RMB4,144.1 million, representing an increase of 54.4% compared to net current assets of RMB2,683.0 million as at December 31, 2024 primarily because of the net proceeds from the Placing.

15 Based on the exchange rate of HK$1: RMB0.91481 published by the State Administration of Foreign Exchange of the PRC on June 12, 2025 for illustration purpose.

Currency Risk

We are exposed to currency risk primarily through sales and purchases which give rise to cash and cash equivalents and amounts due to related parties that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions related. The currencies giving rise to this risk is primarily U.S. dollars. Any significant exchange rate fluctuations of U.S. dollars against RMB may have a financial impact on us. Our management monitors our foreign currency risk exposure and will review and adjust our hedging measures in accordance with our needs.

Due to the significant decrease in the yield of RMB deposit products, the company consciously increased its foreign currency deposits in 2025, compared to previous years, to enjoy higher deposit returns. Although the appreciation of the RMB in 2025 resulted in some exchange losses, overall, the company achieved higher returns in 2025 after offsetting the losses.

Pledge of Shares

We do not have any pledging of shares by our Controlling Shareholders.

Significant Investments, Material Acquisitions and Disposals

As at December 31, 2025, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital Expenditure

For the year ended December 31, 2025, the Group's total capital expenditure amounted to approximately RMB126.3 million, which was mainly used in purchasing R&D instruments and equipment.

Charge on Assets

As at December 31, 2025, there was no charge on assets of the Group.

Contingent Liabilities

As at December 31, 2025, we did not have any contingent liabilities.

Employees and Remuneration Policies

As at December 31, 2025, we had 2,045 employees in total. During the year, the total cost of employees (including remuneration of directors and senior management, equity-settled share-based payment) amounted to approximately RMB883.0 million (2024: RMB728.4 million).

We entered into individual employment contracts with our employees covering matters such as salaries, bonuses, employee benefits, workplace safety, confidentiality obligations, work product assignment clause and grounds for termination. The remuneration package of our employees includes salary and bonus, which are generally determined by their qualifications, performance review, and seniority. We also offer share incentives and promotion opportunities to motivate our employees.

Future Investment Plans and Expected Funding

As at the date of this annual report, we are strategically pursuing investment and/or acquisition opportunities to drive our long-term growth, and will make further announcements in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

III. PROSPECTS

In 2026, we continue to deepen the reform of our R&D innovation. Focusing on our strengths, we strive to increase efficiency, strengthen external cooperation, benchmark with the highest industry standards, enhance scientific decision-making capability, and maintain and expand our leading advantage in key technology areas such as pioneering projects and ADCs. Having established a product market-oriented mindset and facing unmet clinical needs, we have been developing innovative drugs with differentiated advantages and potential for internationalization in a targeted manner. Leveraging the application of big data and artificial intelligence, we have been strengthening our research capabilities on biology/small molecule and translational medicine to increase the success rate of innovative drug R&D. We will also enhance international cooperation on innovative drugs, accelerate cultivation of new competitive advantages and integrate into the innovative global drug network at a higher level to realize the value of innovative drugs in a broader space.

Specifically, we intend to pursue the following development strategies: (i) advancing our differentiated pipelines targeting indications with significant medical needs; (ii) innovating on optimized payload-linker strategies, novel DC designs and structures, and expanded application to non-oncology diseases; (iii) enhancing our end-to-end drug development and commercialization capabilities; (iv) expanding business landscape and strategic partnerships and improving our capabilities for the development, registration and commercialization of our products in ex-China market; and (v) optimizing our operation system to become a leading global biopharmaceutical company.

(i) Advancing our differentiated pipelines targeting indications with significant medical needs

In 2026, our main goal is to advance our pipeline of over 10 clinical-stage assets. We plan to accelerate the clinical development process of our clinical stage assets. We expect to continue to strengthen the establishment of our ADC and novel DC pipelines, promote the joint management of projects under collaboration with our partners and receive further milestone payments. We have sufficient resources, including but not limited to unutilized net proceeds from previous placings, out-licensing income and sales income from commercialized products, which can fully support our clinical development plans; as at the end of the Reporting Period, our cash, cash equivalents and financial assets balance amounted to RMB4.56 billion.

Guided by our indication-oriented approach, we will continue to advance our clinical-stage and preclinical oncology assets to target cancer indications with high prevalence and medical needs, notably BC, NSCLC, GI cancers, gynecological tumors and GU cancers. We will also continue to build and expand our differentiated non-oncology drug portfolio to target indications with significant disease burden and medical needs including autoimmune and metabolic diseases, leveraging our competitive ADC and novel DC, biologics and small-molecule technology platforms.

(ii) Innovating on optimized payload-linker strategies, novel DC designs and structures, and expanded application to non-oncology diseases

We are establishing ADC and novel DC designs to further advance our OptiDC™ portfolio via a multi-pronged strategy, including:

Further replacement of chemo-based cancer therapies.

- Developing ADCs targeting novel targets and target combinations, such as (i) biparatopic antibodies that target different, non-overlapping binding sites on a single antigen to improve efficacy by promoting cellular uptake of an ADC; (ii) bsAbs that target two different antigens co-expressed on the same cancer cells to improve binding specificity toward cancer cells and reduce off-tumor toxicity; and (iii) TAA-IO bsAbs to enhance anti-tumor effect by simultaneously targeting TAA on tumor cells and IO antigen.

- Expanding payloads beyond common cytotoxic agents. In addition to new topoisomerase and tubulin inhibitors with optimized drug-like properties, DNA-damaging reagents and other novel cytotoxic agents and their combinations (dual-payload ADCs) are developed to deal with drug resistance and suboptimal therapeutic index of current ADC-based therapies.

- Optimizing our conjugation technologies to enable precise control of the positioning and number of conjugated payloads including dual payloads. To match the needs of constructing ADCs with appropriate drug load and types, and conjugating sites, we have developed site-specific conjugating technologies that allow precise control of DAR value, such as enzymatic conjugation and glycan-specific conjugation, and this is realized via a practical and cost-effective CMC process without complicated antibody engineering or modification.

Expansion into non-chemo-based cancer therapies.

- Developing novel DCs with diversified mechanisms of action other than cytotoxic mechanism, such as (i) RDCs that carry radioactive isotopes to cancer cells and represent a promising strategy to overcome drug resistance associated with traditional cytotoxin-based ADCs; (ii) iADCs that carry immune-modulators that stimulate innate and adaptive immune response to provide a robust and long-term anti-tumor effect; and (iii) DACs with targeted protein degraders that offer enhanced safety than cytotoxins by inducing specific protein degradation in tumor cells.

Exploration beyond cancer.

- In addition to ADCs for treating cancers, we are developing ADCs configured with various novel, non-cytotoxic payload strategies for non-oncology diseases, such as ADCs with GR modulators as payloads to treat autoimmune diseases.

(iii) Enhancing our end-to-end drug development and commercialization capabilities

R&D. In addition to expanding our drug portfolio, we are dedicated to optimizing our R&D platforms and developing novel technologies to support the R&D of next-generation drugs. We continue to enhance our R&D capabilities by bringing in experienced professionals from around the world. In addition, we are paying close attention to AI-enabled drug discovery and plan to continue introducing AI into several R&D processes to further improve R&D efficiency, including novel target validation, drug discovery, synthesis pathway generation, prediction of drug properties and indication selection, and so on.

Manufacturing and Quality Management. We will continue to expand our cGMP facilities to support commercialization needs. Going forward, we will continue to enhance our manufacturing capabilities, through expanding our in-house capacity or through collaborating with industry-recognized contract manufacturing organizations. Meanwhile, we strive to upgrade and improve our comprehensive quality management system, benchmarking against the highest international standards adopted by pharmaceutical multinational corporations, to ensure patient safety and regulatory compliance.

Commercialization. We have received marketing authorization for sac-TMT (佳泰莱®), tagitanlimab (科泰莱®), Cetuximab N01 (达泰莱®) and trastuzumab botidotin (舒泰莱®) and have commenced their commercialization. We have also filed an NDA for Lunbotinib Fumarate Capsules (宁泰莱®)[16] and expect to commence its commercialization in the first half of 2027, subject to regulatory communications and marketing approval. We have set up a fully-fledged commercialization team to prepare and implement the commercialization of our strategic products and have established a departmental structure within the Company, consisting of various departments such as marketing, sales, distribution and market access, medical affairs, and strategic planning and commercial excellence, among others, as well as marketing compliance and KA functions. We will continue to refine our commercialization strategies for each late-stage assets, first prioritizing therapeutic areas with medical needs in China, such as BC, NSCLC, GI cancers, gynecological tumors and GU cancers, while offering synergistic treatment options enabled by our diverse pipeline to optimize patient outcome. Globally, we will continue to pursue a flexible strategy to capture the commercial value in major international markets, through forging synergistic license and collaboration opportunities worldwide.

(iv) Expanding business landscape and strategic partnerships and improving our capabilities for the development, registration and commercialization of our products in ex-China market

Following the success of our existing license and collaboration agreements, we are actively exploring new partnership opportunities globally. In the near to medium term, we plan to continue adopting the out-licensing collaboration model and fully leverage our partners' global clinical development and commercialization capabilities to bring our products to the global market. In the long term, we will leverage the out-licensing collaborations to fully learn from our partners' expertise in global clinical development and commercialization, explore more diversified "going overseas" pathways, gradually conduct and promote international multi-center, registrational clinical studies and establish a commercialization system. By doing so, our products could provide benefit to a wider range of patients worldwide, creating greater global market value and further enhancing our corporate value. Meanwhile, we are closely monitoring global opportunities to in-license new drug candidates and innovative technologies that could bring strategic synergies to our pipeline and technology platforms. We are also committed to enhancing our collaborations with key opinion leaders, top hospitals and academic institutions, in China and globally, to ensure our timely access to cutting-edge research and support our existing and future pipeline.

(v) Optimizing our operation system to become a leading global biopharmaceutical company

We are continuously reviewing and optimizing our internal procedures, particularly our R&D management process, to enhance operational efficiency and support our growth as a fully-fledged biopharmaceutical company. We also aim to attract and recruit outstanding scientific, marketing and managerial personnel to join our talent pool, in order to maintain our competitiveness in a rapidly evolving industry.

Meanwhile, we are actively seeking opportunities to expand our global footprint and raise international brand awareness. As our business continues to grow, we will adhere to our mission to address major medical needs in China and globally, and to bring world-class treatments, and a healthier and happier life, to all patients.

[16] Trade name to be approved by NMPA.

DIRECTORS

Chairman of the Board and non-executive Director

Mr. LIU Gexin (劉革新), aged 75, was appointed as a Director and the chairman of the Board in November 2016 and March 2022, respectively. He was redesignated as our non-executive Director on February 15, 2023. He is mainly responsible for overseeing the management and strategic development of the Group.

Mr. Liu is the founder of Kelun Pharmaceutical and has served as the chairman of Kelun Pharmaceutical since its establishment. In addition, Mr. Liu currently has also held positions in a number of other company, including (i) the chairman of Sichuan Kelun Industry Group Co., Ltd. (四川科倫實業集團有限公司) since August 2000; (ii) the chairman of Yili Chuanning Biotechnology Co., Ltd. (伊犁川寧生物技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301301) since June 2020; and (iii) a director of Chengdu Huaxi Clinical Research Co., Ltd. (成都華西臨床研究中心有限公司) since July 2020.

Mr. Liu obtained his master's degree in cardiovascular pharmacology from Chongqing Medical College (重慶醫學院) (currently known as Chongqing Medical University (重慶醫科大學)) in China in June 1984. Mr. Liu also obtained his another master's degree in political economics from Southwest Normal University (西南師範大學) (currently known as Southwest University (西南大學)) in China in July 2003. Mr. Liu has received a series of awards and recognition, including (i) the National Model Worker (全國勞動模範) by The State Council, PRC (中華人民共和國國務院) in May 2005 (ii) the honorary title of "Outstanding Communist Party Member in Earthquake Relief" (抗震救災優秀共產黨員) by Sichuan Provincial Committee of the CPC and Chengdu Municipal Committee in 2008; (iii) an "Outstanding Builder of Socialism with Chinese Characteristics" (優秀中國特色社會主義建設者) by the United Front Work Department of the CPC Central Committee, the Ministry of Industry and Information Technology, the Ministry of Human Resources and Social Security, the State Administration for Industry and Commerce and the All-China Federation of Industry and Commerce in 2009; (iv) the "Medal in Commemoration of the 70th Anniversary of the People's Republic of China" (慶祝中華人民共和國成立70週年紀念章) by the CPC Central Committee, the State Council and the Central Military Commission in 2019; (v) a member of the Party Committee of the Economic and Information Technology Industry Committee of the CPC Sichuan Province (中共四川省經濟和信息化行業委員會) in April 2023; and (vi) a deputy director of the Standardisation Technical Committee of the China National Health Association (中國民族衛生協會標準化技術委員會) in November 2024. Mr. LIU Gexin is the father of Mr. LIU Sichuan, a non-executive Director.

Executive Director

Dr. GE Junyou (葛均友), aged 54, was appointed as a Director in February 2022. He was redesignated as our executive Director on February 15, 2023. Dr. Ge was appointed as the Chief Operation Officer of the Company in February 2021 and the general manager of the Company in March 2022. He is mainly responsible for overall corporate and business strategies of our Group and making key business and operational decisions of our Group. Dr. Ge has also served as a director and the Chief Executive Officer of KLUS PHARMA INC. in US since December 2021, an executive director and manager of Sichuan Konas Pharmaceutical Co., Ltd. since November 2021, a director of the National Engineering Research Center of Targeted Biologics(生物靶向藥物國家工程研究中心) since April 2022, executive director and manager of Sichuan Kelun-Biotech Targeted Biologics Engineering Research Center Co., Ltd. (四川科倫博泰生物靶向藥物工程研究中心有限公司) since March 2023, director and general manager of Kelun-Biotech Hong Kong Co., Limited since October 2023 and a director of Kelun Pharmaceutical since May 2024.

Dr. Ge has been engaged in the R&D of innovative drugs, manufacturing and quality control, and corporate management in the pharmaceutical industry at home and abroad for about 30 years. The companies he has worked for include Shanghai Yan'an Pharmaceutical Factory (上海延安製藥廠), Boehringer Ingelheim (勃林格殷格翰), Zhejiang Hisun (浙江海正藥業 600267. SH) and Ratiopharm GmbH. Dr. Ge joined Kelun Pharmaceutical in June 2007 and served as a deputy general manager from July 2009 to February 2021, where he was mainly responsible for leading the quality management of Kelun Group. As a well-known cGMP expert in China, he participated in the revision, drafting, and review of the new Chinese GMP regulations, related guidelines and guiding principles, and co-authored five Professional Publications on GMP.

Dr. Ge obtained his bachelor's degree in pharmacy from Shanghai Medical School (上海醫科大學) (currently known as Shanghai Medical College Fudan University (復旦大學上海醫學院)) in China. He obtained his master's degree in pharmaceutical engineering from East China University of Science and Technology (華東理工大學) and his doctoral degree in Biology and Medicine from Fudan University (復旦大學).

Dr. Ge is currently a standing committee member of the Sichuan Association for Science and Technology, a visiting professor at the Institute of Executive Development of NMPA, an expert reviewer for the Ministry of Science and Technology's science and technology plan projects, a member of the Peer Review Expert Panel for the Hong Kong Innovation and Technology Commission, a member of the Third Council of China Center for International Economic Exchanges, a member of the Drug Testing Quality Management Committee of the Chinese Pharmaceutical Association, a member of Anti-cancer Drug Committee of the Chinese Pharmaceutical Association, Vice President of the China Quality Association for Pharmaceuticals, a Director of the Hong Kong Association of Overseas-Returned Scholars and a member of the Professional Committee on Drug Inspection and Compliance Research of China Society for Drug Regulation, etc.

Non-executive Directors

Mr. LIU Sichuan (劉思川), aged 42, was appointed as a Director in November 2016. He was redesignated as our non-Executive Director on February 15, 2023. He is mainly responsible for overseeing the management and strategic development of the Group.

Mr. Liu joined Kelun Pharmaceutical and served as the assistant of chairman in 2007. He has been serving as a director of Kelun Pharmaceutical since June 2009 and general manager of Kelun Pharmaceutical since September 2015. Currently he has also held positions in a number of other Company, including (i) a director of Sichuan Kelun Industry Group Co., Ltd. (四川科倫實業集團有限公司) since December 2015; (ii) a director of Yili Chuanning Biotechnology Co., Ltd. (伊犁川寧生物技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301301), since June 2020; (iii) a manager and executive director of Chengdu Kelun Jingchuan Technology Co., Ltd. (成都科倫晶川科技有限公司) since November 2021; and (iv) a director of China Resources Kelun (Sichuan) Medicine Limited (華潤科倫醫藥(四川)有限公司) since September 2023.

Mr. Liu obtained his master's degree in international business from the University of Leeds in the United Kingdom in August 2007. Mr. Liu has received a series of awards and recognition, including (i) the "May Day Labour Medal of Hunan Province" (湖南省五一勞動獎章) awarded in 2014; (ii) the "Title of Outstanding Entrepreneur in Hunan Province" ("湖南省優秀企業家稱號") issued by Hunan Provincial Committee of the CPC and the People's Government of Sichuan Province (中共湖南省委、湖南省人民政府) on January 2018; (iii) the "National Advanced Individual in Fighting the COVID-19" ("全國抗擊新冠肺炎疫情先進個人") issued by CPC Central Committee, The State Council, PRC and the Military Commission of the CPC Central Committee (黨中央、國務院、中央軍委) in September 2020; (iv) the "4th Outstanding Non-Public Economic Contributor of Business in Socialism with Chinese Characteristics in Hunan Province" (第四屆湖南省非公有制經濟人士優秀中國特色社會主義事業建設者) awarded in 2021; and (v) the title of "the 4th Outstanding Contributor to the Development of Socialism with Chinese Characteristics in Sichuan Province" (第四屆四川省優秀中國特色社會主義事業建設者) awarded in 2023. Mr. LIU Sichuan is the son of Mr. LIU Gexin the chairman of the Board and non-executive Director.

Mr. LAI Degui (賴德貴), aged 55, was appointed as a Director in June 2024. He is mainly responsible for overseeing the management and strategic development of the Group.

Mr. Lai has served as a deputy general manager and financial director of Kelun Pharmaceutical since October 2014 and the managing partner of Lishui Keyun Rentong Logistics Technology Limited Partnership (麗水市科運仁通物流科技合夥企業(有限合夥)) since December 2020.

Mr. Lai received a diploma of accounting from Southwestern University of Finance and Economics (西南財經大學) through on-the-job learning in January 2013, and received a Master's degree in business management from Tsinghua University (清華大學) in June 2023.

Mr. FENG Hao (馮昊), aged 46, was appointed as a Director in February 2021. He was redesignated as our non-executive Director on February 15, 2023. He is mainly responsible for overseeing the management and strategic development of the Group.

Mr. Feng has been serving as a deputy general manager and secretary of board of directors of Kelun Pharmaceutical since April 2014 and the managing partner of Lishui Keyun Yaotong Logistics Technology Limited Partnership (麗水市科運耀通物流科技合夥企業(有限合夥)) since December 2020. He also served as a non-executive director of SSY Group Limited (石四藥集團有限公司), a company listed on the Stock Exchange (stock code: 02005), from November 2017 to November 2023.

Prior to April 2014, Mr. Feng successively served as a tutor at the School of Economics at Huazhong University of Science and Technology (華中科技大學), an analyst at the Actuarial Division of Taiping Life Insurance Company Limited (太平人壽保險有限公司), an actuarial advisory consultant at Watson Wyatt Consultancy (Shanghai) Ltd. (上海華信惠悦(諮詢)有限責任公司), a senior manager at the investment banking division of Ping An Securities Limited (平安證券有限責任公司) and a business director at the investment banking division of Sinolink Securities Co. Ltd (國金證券股份有限公司).

Mr. Feng obtained his master's degree in financial mathematics from Heriot-Watt University in the United Kingdom in November 2005. Mr. Feng has received a series of awards and recognition including the 2022, 2023 and 2024 5A Rating for Duty Performance of Board Secretary of Listed Companies (2022、2023及2024年上市公司董事會秘書履職5A評級) by China Association for Public Companies (中國上市公司協會) on December 12, 2022, December 6, 2023 and December 17, 2024, respectively.

Ms. LIAO Yihong (廖益虹), aged 47, was a Supervisor from February 2022 to June 2025, and was redesignated as our non-executive Director on June 20, 2025. She is mainly responsible for overseeing the management and strategic development of the Group.

Ms. Liao served as: (i) the chief director of audit of Kelun Pharmaceutical from December 2014 to April 2022, and was promoted as a deputy general manager of Kelun Pharmaceutical in April 2022; (ii) the supervisor of Chengdu Kelun Jingchuan Technology Co., Ltd. (成都科倫晶川科技有限公司) since November 2021; and (iii) the director and chairwoman of the board of Sichuan Kelun Doosan Biotechnology Co., Ltd. (四川科倫鬥山生物技術有限公司) since February 2023.

From August 2002 to November 2014, Ms. Liao has successively served in Shenzhen branch of PricewaterhouseCoopers Zhongtian Certified Public Accountants (special general partnership) (普華永道中天會計師事務所(特殊普通合夥)) and the Chengdu branch of KPMG Consulting (China) Co., Ltd. (畢馬威企業諮詢(中國)有限公司).

Ms. Liao obtained her bachelor's degree in accounting from Guangdong University of Foreign Studies (廣東外語外貿大學) in China in June 2002. She obtained her master's degree in accounting from Tsinghua University (清華大學) through on-the-job learning in China in June 2021.

Mr. ZENG Xuebo (曾學波), aged 41, was appointed as a Director in July 2022. He was redesignated as our non-executive Director on February 15, 2023. He is mainly responsible for overseeing the management and strategic development of the Group.

Formerly he served as a manager and was then promoted as a director of Shenzhen Zhongyi Yingtai Venture Capital Co., Ltd. (深圳中逸盈泰創業投資有限公司). From June 2015 to July 2016, he served as a deputy director of Shenzhen Investment Holdings Donghai Investment Co., Ltd. (深圳投控東海投資有限公司). From August 2016 to October 2020, he served as a director and was then promoted as a vice president of Aiqi Venture Capital Management (Shenzhen) Co., Ltd. (愛奇創業投資管理(深圳)有限公司). He has successively served as a vice president and managing director of Zhuhai Hexie Zhuorui Private Equity Fund Management Co., Ltd. (珠海和諧卓睿私募基金管理有限公司) (formerly "Hexie Zhuorui (Zhuhai) Investment Management Co., Ltd. (和諧卓睿(珠海)投資管理有限公司)") from November 2020 to October 2025. He served as a managing director of Hainan Harmony Hengxin Private Equity Investment Fund Management Co., Ltd. (海南和諧恒興私募股權投資基金管理有限公司) since October 2025. Additionally, from January 2022 to September 2023, he served as a director of Hang Zhou Sciwind Biosciences Co., Ltd. (杭州先為達生物科技有限公司). From September 2022 to September 2025, he served as a director of Shanghai Model Organisms Center, Inc. (上海南方模式生物科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688265).

Currently he also holds positions in various companies, including (i) a director of Shandong Bestcomm Pharmaceutical Company Limited (山東百諾醫藥股份有限公司), since January 2018; (ii) a director of Chiral Quest (Suzhou) Co., Ltd. (凱瑞斯德生化(蘇州)有限公司), since December 2022; (iii) a director of Jiangxi Longlife Bio-pharmaceutical Co., Ltd. (江西隆萊生物製藥有限公司), since February 2023; (iv) a director of Suzhou Pengxu Pharmatech Co., Ltd. (蘇州鵬旭醫藥科技有限公司), since February 2023; (v) an independent director of CASI Pharmaceuticals, Inc., a company listed on NASDAQ (stock code: CASI), since March 2023; (vi) a director of Zhejiang Ablaze Health Technology Co., Ltd (浙江艾比奧健康科技有限公司), since March 2023; and (vii) a director of ZenCore (Cayman) Limited, since November 2023; (viii) a non-executive director of Chengdu Pukangweixin Biotechnology Technology Co., Ltd. (成都普康唯新生物科技有限公司), since May 2024; (ix) a non-executive Director of Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業股份有限公司) (a company listed on the Stock Exchange (stock code: 6887) since August 7, 2025), since December 2024; (x) a director of Chengdu Maxvax Biotechnology Co., Ltd. (成都邁科康生物科技有限公司) since October 2025; and (xi) a director of Hainan Harmony Hengxin Private Equity Investment Fund Management Co., Ltd. (海南和諧恒興私募股權投資基金管理有限公司) since October 2025.

Mr. Zeng obtained his bachelor's degree in pharmacy from Qinghai Minzu University (青海民族大學) in China in July 2009.

Independent Non-executive Directors

Dr. ZHENG Qiang (鄭強), aged 65, was appointed as an independent non-executive Director on February 15, 2023 with effect from July 2023. He is mainly responsible for supervising and providing independent advice on the operation and management of our Group.

Dr. Zheng joined the Peking University (北京大學) in 2005, and he has been serving as a professor and doctoral supervisor in industrial engineering and management in Peking University (北京大學) until his retirement on January 27, 2024.

Dr. Zheng obtained his bachelor's degree in physics from Peking University (北京大學) in China in July 1983. Dr. Zheng obtained his master's degree in physics from Graduate School of Chinese Academy of Sciences (中國科學院研究生院) (currently known as University of Chinese Academy of Sciences (中國科學院大學) in China) in August 1986. He also obtained his doctoral degree in physics from Temple University in the United States in June 1989.

Dr. TU Wenwei (涂文偉), aged 60, was appointed as an independent non-executive Director on February 15, 2023 with effect from July 2023. He is mainly responsible for supervising and providing independent advice on the operation and management of our Group.

Dr. Tu successively served as a lecturer and attending doctor at the department of paediatrics of Children's Hospital, Chongqing Medical University (重慶醫科大學附屬兒童醫院) and a postdoctoral researcher fellow in the department of pediatrics at the Stanford University School of Medicine in the United States before 2006. Dr. Tu has served as a professor in the department of paediatrics & adolescent medicine, Li Ka Shing Faculty of Medicine at The University of Hong Kong (the "HKU") since June 2015. Dr. Tu also held various positions, such as the assistant dean of the Li Ka Shing Faculty of Medicine since October 2011 and an associate professor since June 2009 at the department of paediatrics & adolescent medicine since joining HKU in 2006.

Dr. Tu obtained his bachelor's and master's degrees in medicine sciences from Chongqing Medical University (重慶醫科大學) in the PRC in July 1989 and December 1992, respectively. He obtained his doctoral degree in philosophy from HKU in December 1999. Dr. Tu has received a series of awards including several Prize of Science and Technology Progress (科技進步獎). He was also recognized as a Changjiang scholar chair professor in pediatrics (長江學者講座教授(兒科)) by Ministry of Education of PRC (中華人民共和國教育部) in April 2016.

Dr. JIN Jinping (金錦萍), aged 54, was appointed as an independent non-executive Director on February 15, 2023 with effect from July 2023. She is mainly responsible for supervising and providing independent advice on the operation and management of our Group.

Dr. Jin serves as an associate professor in the Law School, Peking University (北京大學). She has been serving as an independent non-executive Director of Horizon Construction Development Limited (宏信建設發展有限公司), a company listed on the Stock Exchange (stock code: 9930), since May 2021. Ms. Jin served as an independent director of China Automotive Engineering Research Institute Co., Ltd. (中國汽車工程研究院股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601965) from January 2020 to December 2025, and an independent director of Beijing Oriental Jicheng Co., Ltd. (北京東方中科集成科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002819) from July 2018 to June 2024.

Dr. Jin obtained a bachelor's degree in economic law from Peking University (北京大學) in the PRC in July 1995, a master's degree in civil and commercial law from Peking University in July 2001, and a doctorate degree in civil and commercial law from Peking University in June 2004. Dr. Jin obtained a lawyer qualification granted by the Ministry of Justice of the PRC in June 1997 and higher education teacher qualification granted by the Beijing Municipal Education Commission in December 2008. Dr. Jin has served as a director of the China Red Cross Foundation since September 2016.

Dr. LI Yuedong (李越冬), aged 49, was appointed as an independent non-executive Director on February 15, 2023 with effect from July 2023. She is mainly responsible for supervising and providing independent advice on the operation and management of our Group.

Dr. Li joined the Southwestern University of Finance and Economics (西南財經大學) in 2004 and she has been serving as a doctoral supervisor in Auditing in Southwestern University of Finance and Economics (西南財經大學) since January 2022. She has been serving as (i) an independent director of Chengdu Sino Microelectronics Technology Co., Ltd. (成都華微電子科技股份有限公司), a company listed on the Shanghai Stock Exchange in January 2024 (stock code: 688709), since September 2021; (ii) an independent director of Ya'an Baitu High Tech Materials Co., Ltd. (雅安百圖高新材料股份有限公司) since September 2022; (iii) an independent director of Chengdu Shengbang Seals Co., Ltd. (成都盛幫密封件股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301233), since November 2022; and (iv) an independent non-executive director of Honghua Group Limited(宏華集團有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 196) since June 2024. In addition, Dr. Li also served as (i) an independent director of Chengdu Hi-Tech Development Co., Ltd. (成都高新發展股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000628) from June 2015 to June 2022; (ii) an independent director of Sichuan Fengsheng Paper Technology Co., Ltd. (四川鳳生紙業科技股份有限公司) from December 2019 to December 2022; (iii) an independent director of Sichuan Neautus Traditional Chinese Medicine Co., Ltd. (四川新荷花中藥飲片股份有限公司) from January 2020 to February 2023; and (iv) an independent director

of Chengdu Leejun Industrial Co., Ltd. (成都利君實業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002651) from July 2021 to May 2024; (v) an independent director of Chengdu Zhimingda Electronics Co., Ltd. (成都智明達電子股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 688636), from November 2022 to November 2025; and (vi) an external supervisor of Sichuan Beichuan Rural Commercial Bank Co., Ltd. (四川北川農村商業銀行股份有限公司) from December 2023 to November 2025.

Dr. Li obtained her bachelor's degree in economics from Chongqing Business College (重慶商學院) (currently known as Chongqing Technology and Business University (重慶工商大學) in China in July 2000. Dr. Li obtained her master's degree in accountancy from Georgia College & State University in the United States in May 2004. She also obtained her doctoral degree in business administration from Southwestern University of Finance and Economics (西南財經大學) in China in January 2011, completed the joint post-doctoral program between the National Audit Office of China (中國審計署) and Peking University in 2015 and served as a research fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) in 2021. Dr. Li was appointed as an external doctoral supervisor for the DBA at Lyon Business School, France, in July 2022 and was certified as a public accountant by the Guam Board of Accountancy, the United States, in August 2015 and was certified as a public accountant by Certified Practising Accountant Australia in August 2025. She also participated numerous times in United Nations audit projects of the National Audit Office of China and completed audit training course in the United Nations in June 2020. Dr. Li has received a series of awards and recognition. She was recognized as an internationalized high-end accounting talent (國際化高端會計人才) by Ministry of Finance of the PRC (中國財政部) in December 2021.

Note: Mr. LIU Gexin, Dr. GE Junyou, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao and Ms. LIAO Yihong hold directorship or position at Kelun Pharmaceutical and/or Kelun Jingchuan as disclosed above. As of December 31, 2025, each of Kelun Pharmaceutical and Kelun Jingchuan was a company which had an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance. For more details, please refer to the section headed "Substantial Shareholders' and other Persons' Interests and Short Positions in Shares and Underlying shares of the Company" on pages 68 to 69 of this Annual Report.

SUPERVISORS*

** Following the approval of the amendments to the Articles of Association by the Shareholders at the annual general meeting held on June 20, 2025, the Company has abolished the Supervisory Committee with effect from June 20, 2025.*

Ms. LIAO Yihong (廖益虹), aged 47, was appointed as a Supervisor in February 2022. She was redesignated as a non-executive Director with effect from June 20, 2025 after the abolishment of the Supervisory Committee on the same day. For details of Ms. Liao's biography, please refer to the sub-section headed "Non-executive Director" in this section.

Dr. SONG Hongmei (宋宏梅), aged 44, was appointed as a Supervisor in March 2021. She is mainly responsible for supervising the performance of duties by Directors and senior management.

Dr. Song joined our Group in May 2019 and has served as our vice president of R&D. From November 2012 to December 2014, Dr. Song successively served as a team leader of biological R&D and an assistant director of biology at HitGen Inc. (成都先導藥物開發有限公司), where she was mainly responsible for hit screening and activity evaluation, and project and team management. From January 2015 to November 2017, she successively served as a project manager and a vice minister of pharmacology department of Kelun Research Institute. From December 2017 to May 2019, she served as the head of innovation center of Kelun Research Institute. She served as a supervisor of Sichuan Kelun-Biotech Targeted Biologics Engineering Research Center Co., Ltd. (四川科倫博泰生物靶向藥物工程研究中心有限公司) since March 2023.

Dr. Song obtained her bachelor's degree in bioscience from Sichuan Agricultural University (四川農業大學) in China in June 2005. She obtained her master's degree in biochemistry and molecular biology from Sichuan University (四川大學) in China in June 2010. She obtained her doctoral degree in biomedical engineering from Sichuan University (四川大學) in China in December 2012.

Ms. YANG Qiuyan (楊秋豔), aged 42, joined our Company as the head of production management department in August 2017 and was appointed as a Supervisor in March 2022. She is mainly responsible for supervising the performance of duties by Directors and senior management.

She served as a project manager of the microbiology research team and a deputy minister of biopharmaceuticals of Kelun Research Institute from July 2010 to June 2013 and from June 2013 to August 2017, respectively. She has been the deputy director of the production center of the Company from January 2024.

Ms. Yang obtained her bachelor's and master's degree in biological engineering and biochemical engineering from Sichuan University (四川大學) in China in July 2007 and June 2010, respectively.

Dr. QING Yan (卿燕), aged 43, joined our Company as a vice president of the clinical research center in January 2021 and was appointed as a Supervisor in March 2022. She is mainly responsible for supervising the performance of duties by Directors and senior management.

From November 2012 to December 2020, she was a director of the medical information center of Kelun Research Institute, where she was mainly responsible for innovative small molecules, imitation projects, pipeline construction.

Dr. Qing obtained her bachelor's and master's in clinical medicine from Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院) in China in June 2007 and June 2009, respectively. Dr. Qing obtained her doctoral degree in occupational hygiene and environmental hygiene (direction of toxicology) from Tongji Medical College of Huazhong University of Science and Technology (華中科技大學同濟醫學院) in China in June 2012.

SENIOR MANAGEMENT

Dr. GE Junyou (葛均友), aged 54, is our executive Director and general manager. For details of his biography, please refer to the sub-section headed "Executive Director" in this section.

Mr. FENG Yi (馮毅), aged 62, was appointed as our deputy general manager and chief strategy officer in March 2021. He joined our Group as a senior vice president in December 2020. He is mainly responsible for the management of strategic planning of R&D and clinical development of our Group.

Mr. Feng formerly served as an assistant of the director of Center of Drug Evaluation, NMPA (國家藥品監督管理局藥品審評中心). From February 2014 to December 2015, he served as a senior consultant at China Office of Covington & Burling Law Firm (美國科文頓柏靈律師事務所中國代表處), where he was mainly responsible for drug regulations. From January 2016 to August 2018, he served as the president of Greater China of Fountain Pharmaceuticals Co., Ltd. (方恩醫藥有限公司) (currently known as Clinchoice Inc. (昆翎醫藥)), where he was mainly responsible for leading and managing company. From November 2018 to November 2020, he served as senior vice dean and chief strategy officer of Kelun Research Institute.

Mr. Feng obtained his bachelor's degree in aviation medicine from The Fourth Military Medical University of the Chinese People's Liberation Army (中國人民解放軍第四軍醫大學) in China in July 1987. He obtained his master's degree in radio medicine from Chinese People's Liberation Army Academy of Military Medical Sciences (中國人民解放軍軍事醫學科學院) in China in July 1996. He was recognized as the model staff (工作標兵) by Center for Drug Evaluation, Ministry of Health, PRC (中華人民衛生部藥品審評中心) in January 2001.

Dr. ZHANG Yiwei (張一偉), aged 71, was appointed as our deputy general manager in March 2022. He joined our Group in January 2018 as the director of quality management, and was promoted to senior director in March 2020. He is mainly in charge of the manufacturing and quality of our Group.

From October 1990 to August 1991, Dr. Zhang was a visiting scientist of Department of Pure and Applied Biology, The University of Leeds. From August 1995 to May 2007, he served as a postdoctoral fellow and associate researcher of Department of Pathology, Albert Einstein College of Medicine. From June 2007 to October 2008, he served as a quality control scientist of ImClone System, Inc., a company focusing on biopharmaceuticals, where he was mainly responsible for quality control of biomacromolecule drugs. From November 2008 to December 2017, he served as a senior scientist of Eli Lilly and Company, a pharmaceutical company listed on the New York Stock Exchange (stock code: LLY), where he was mainly responsible for quality control and technology development of biomacromolecule drugs.

Dr. Zhang obtained his bachelor' degree in medicine from Chongqing Medical College (重慶醫學院) (currently known as Chongqing Medical University (重慶醫科大學)) in China in July 1984. He obtained his doctoral degree in theoretical and applied biology from University of Leeds in the United Kingdom in October 1995. Dr. Zhang was awarded the first prize of academy of science and technology (院科技壹等獎) by Sichuan Academy of Medical Sciences, PRC (中國四川省醫學科學院) in December 1989 and the third prize of Sichuan Science and Technology Progress Award in 1989 (1989年度四川省科學技術進步獎三等獎) by the People' Government of Sichuan Province (四川省人民政府) in April 1990.

Dr. TAN Xiangyang (譚向陽), aged 64, was appointed as our deputy general manager and chief scientific officer of biologics' research and development (now chief scientific officer of large molecule) in July 2021. He is mainly responsible for the management of preclinical research and business development of our Group.

From June 1990 to December 1992, he served as a researcher of Wuhan Institute of Biological Products, Ministry of Health (衛生部武漢生物製品研究所). From July 1995 to June 1996, he served as a postdoctoral researcher of Harvard Medical School. From January 1998 to January 2008, he served as a principal scientist of Wyeth, LLC. From January 2008 to January 2009, he served as a principal scientist of Pfizer Inc., a company listed on the New York Stock Exchange (stock code: PFE). From February 2009 to November 2015, he served as a principal scientist of Biogen Inc., a company listed on the NASDAQ (stock code: BIIB). From January 2016 to July 2017, he served as a department head of Apbro Corporation, a company listed on the NASDAQ (stock code: ABP). From July 2017 to May 2019, he served as a vice president of Harbour BioMed Shanghai Co., Led. (和鉑醫藥(上海)有限責任公司), a subsidiary of HBM Holdings Limited (和鉑醫藥控股有限公司), a company listed on the Stock Exchange (stock code: 02142). From August 2019 to February 2021, he worked in 4B Technologies (Suzhou) Co., Ltd. (福貝生物科技(蘇州)公司) with his last position as a vice president of the R&D department. From March 2021 to July 2021, he served as a senior vice president of Duality Biologics (Suzhou) Co., Ltd. (映恩生物製藥(蘇州)有限公司), where he was mainly responsible for formulation and implementation of the technology platform for preclinical innovative drug.

Dr. Tan obtained his bachelor's degree in clinical medicine from Harbin Medical University (哈爾濱醫科大學) in China in August 1983. He obtained his master's degree in microbiology and immunology from Wuhan Institute of Biological Products (衛生部武漢生物製品研究所) in China in December 1988. He obtained his doctoral degree in cell and molecular biology from Manchester Metropolitan University in the United Kingdom in November 2007.

Dr. YU Wensheng (俞文勝), aged 59, joined our Company in August 2024, and was appointed as our deputy general manager and chief scientific officer of small molecule in December 2024. He is mainly responsible for the R&D and management of small molecule R&D center of our Company.

From July 1992 to July 1997, Dr. Yu did research work at Chengdu Institute of Biology, Chinese Academy of Science. Afterwards, he entered into pharmaceutical industry for the R&D and management of innovative drug. From August 2001 to April 2021, he successively served as the Senior Scientist, Associate Principal Scientist, Principal Scientist (Director) and Asian head in medicinal chemistry at Merck & Co. USA. From May 2021 to June 2024, he served as the deputy general manager and chemistry VP at Shanghai Hansoh Biomedical Technology Company Limited (上海翰森生物醫藥科技有限公司), a wholly-owned subsidiary of Hansoh Pharmaceutical Group Company Limited, a company listed on the Stock Exchange (stock code: 3692).

Dr. Yu obtained his bachelor's degree in chemistry from Lanzhou University (蘭州大學) in June 1989. He obtained his master's degree in phytochemistry from the Chengdu Institute of Biology, Chinese Academy of Science (中國科學院成都生物研究所) in June 1992. He obtained his doctoral degree in medicinal chemistry from the University of Iowa in USA in July 2001.

Dr. JIN Xiaoping (金小平), aged 50, was appointed as our deputy general manager and chief medical officer in September 2021. He is mainly responsible for the management of clinical development of our Group.

From July 2005 to June 2014, he served as the staff biostatistician of a pharmaceutical company Daiichi Sankyo Inc. (第一三共株式會社) and participated in the clinical studies of new oncological medicine indications. He then served as the scientific director of pharmaceutical company AstraZeneca Biopharmaceutical Company, a company listed on the London Stock Exchange (stock code: AZN), OMX Nordic Exchange (currently known as NASDAQ OMX Group) (stock code: AZN) and New York Stock Exchange (stock code: AZN) from June 2014 to April 2017, and was responsible for setting clinical trial strategies to identify indications, designing clinical trials, managing clinical trials and analyzing relevant clinical data. He joined the group of Akeso, Inc. ("Akeso"), a company listed on the Stock Exchange (stock code: 09926) as a vice president and the head of clinical development in May 2017 and was mainly responsible for clinical science and development; he was further promoted as senior vice president in 2020 and responsible for clinical studies and development strategies of the pipeline, where he built the clinical team for innovative drugs, and left Akeso in August 2021.

Dr. Jin obtained his doctoral degree in biostatistics from School of Public Health, University of Minnesota in the United States in June 2005.

Mr. ZHOU Zejian (周澤劍), aged 44, was appointed as the chief financial officer of our Company and the secretary of the Board in August 2022. He is mainly responsible for the management of finance, capital market and securities affairs, and business development of our Group. From February 2022 to June 2022, he served as a non-executive Director of our Company, which was designated by IDG Capital, a Pre-IPO investor of our Company.

Mr. Zhou has been engaged in investment, investment banking, capital market and healthcare industry for nearly 20 years. Prior to joining the Company, he worked in IDG Capital, Goldman Sachs (China) Securities Company Limited (高盛(中國)證券有限責任公司) and China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601995) and the Stock Exchange (stock code: 03908), etc.

Mr. Zhou obtained his master's degree in finance and bachelor's degree in financial management from Renmin University of China (中國人民大學).

Mr. DING Nanchao (丁南超), aged 40, joined our Company in November 2024, and was appointed as our deputy general manager and chief marketing officer in December 2024. He is mainly responsible for the management of sales, marketing, medical affairs and business operations of our Company.

From July 2008 to November 2024, Mr. Ding successively served as the regional sales assistant, manager and deputy director of Sales Management Department and sales director of New Drug Sales Department at Kelun Pharmaceutical. He also served as the deputy general manager in Kelun Pharmaceutical since 2020, and was in charge of new drug marketing segment, Health Strategy Development & Research Department and Business Development Department, etc. Mr. Ding also served as the director of Kelun-Biotech Biopharmaceutical (Shanghai) Co., Ltd. (科倫博泰生物醫藥(上海)有限公司) since January 2026, the director of Kelun-Biotech Biopharmaceutical (Chengdu) Co., Ltd. (科倫博泰生物醫藥(成都)有限公司) since February 2026 and the director of Kelun-Biotech Biopharmaceutical (Beijing) Co., Ltd. (科倫博泰(北京)有限公司) since March 2026.

Mr. Ding obtained his bachelor's degree in chinese materia medica from Southwest Jiaotong University (西南交通大學) in July 2008.

Mr. CHEN Wei (陳巍), aged 51, joined our Company in June 2023, and was appointed as our deputy general manager in December 2024. He is mainly responsible for commercial and marketing access.

From December 1999 to February 2006, Mr. Chen served as the business manager of southwest region at Xi'an Janssen Pharmaceutical Limited (西安楊森製藥有限公司). From March 2006 to May 2011, he served as senior regional business manager of west region at Sanofi Aventis Pharmaceutical Co., Ltd. (賽諾菲安萬特製藥有限公司). From June 2011 to May 2020, he served as the west region senior director of channel and terminal access in Bayer Healthcare Company Limited (拜耳醫藥保健有限公司). From June 2020 to May 2023, he served as the deputy general manager in Shanghai Junshi Biosciences Co., Ltd. (上海君實生物醫藥科技股份有限公司), a company listed on the Stock Exchange (stock code: 1877).

Mr. Chen obtained his MBA degree from Shanghai Fudan University (上海復旦大學) in June 2016.

The Directors present their report and the audited consolidated financial statements (the "Consolidated Financial Statements") of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

During the Reporting Period, the Group was principally engaged in the research and development, manufacturing and commercialization of novel drugs. There was no significant change in the nature of the Group's principal activities during the Reporting Period and up to the date of this annual report.

Particulars of the Company's principal subsidiaries as at December 31, 2025 are set out in Note 13 to the Consolidated Financial Statements.

BUSINESS REVIEW

A review of the Group's business during the Reporting Period, which includes an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the Reporting Period, an indication of likely future developments in the Group's business, and a discussion of the principal risks and uncertainties faced by the Group, can be found in the section headed "Management Discussion and Analysis" of this annual report and sub-section headed "Principal Risks and Uncertainties" of this report of the directors. The review and discussion form part of this annual report.

RESULTS AND DIVIDEND

Details of the results of the Group for the Reporting Period and the Group's financial position as at December 31, 2025 are set out in the Consolidated Financial Statements and their accompanying notes on pages 191 to 249 of this annual report.

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

FINANCIAL SUMMARY

The Company's Shares were listed on the Stock Exchange on July 11, 2023. A summary of the published results and of the assets, liabilities and equity of the Group for the last five financial years is set out on page 250 of this annual report. This summary does not form part of the Consolidated Financial Statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is highly aware of the importance of environmental protection and conducts annual review on environmental, social and governance-related risks and matters relating to the reporting and performance thereof. The Group has not noted any material non-compliance with all relevant laws and regulations in relation to its business including environmental protection, health and safety, workplace conditions, employment and the environment.

The Group has established detailed internal rules regarding environmental protection and adopted effective measures to achieve efficient use of resources, waste reduction and energy saving. For further details of the Group's environmental policies and performance, please refer to the environmental, social and governance report of the Company for the Reporting Period set out on pages 118 to 185 of this annual report, which has been prepared in accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Guide contained in Appendix C2 to the Listing Rules.

PRINCIPAL RISKS AND UNCERTAINTIES

The following is a summary of certain principal risks and uncertainties facing the Group, some of which are beyond its control:

- Our business and prospects depend substantially on the success of our drug candidates. If we are unable to successfully complete clinical development, obtain regulatory approvals or achieve commercialization for our drug candidates, or if we experience significant delays or cost overruns in doing any of the foregoing, our business and prospects could be materially and adversely affected.

- We may face intense competition and rapid technological change and the possibility that our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

- Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results.

- We have incurred significant net losses since inception. We anticipate that we will continue to incur net losses and may fail to achieve or maintain profitability in the future.

- We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.

- We have entered into license and collaboration agreements with third parties in the development of our drug candidates, and may seek additional license and collaboration opportunities in the future, and we may not realize the benefits of such partnerships as expected.

- Our rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted to us by others.

- If we are unable to obtain and maintain adequate patent and other intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize our drug candidates may be adversely affected.

- All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated. Any failure to comply with relevant laws, regulations and industry standards or any adverse actions by the regulatory authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

- The regulatory approval processes of the NMPA, the FDA and other comparable regulatory authorities are time-consuming and uncertain. If we are unable to obtain without undue delay any regulatory approvals for our drug candidates in our targeted markets, our business may be subject to actual or perceived harm.

- We recognize the risks to China's innovative drug industry arising from US-China trade relations. In February 2025, the United States issued the Memorandum on America First Investment Policy, which expanded US investment restrictions on technology sectors. In response to US investment restrictions on China, China has intensified scrutiny of overseas direct investment (ODI) to the US, imposing certain constraints on Chinese capital's overseas investments in the biotechnology field.

- The future commercial success of our drug candidates will depend on the degree of their market acceptance among physicians, patients and others in the medical community.

- Our future success depends in part on our ability to retain our senior management, scientific employees and other qualified personnel.

DIRECTORS

During the Reporting Period and up to the Latest Practicable Date, the Board consists of the following Directors:

Chairman of the Board and Non-executive Director

Mr. LIU Gexin (劉革新) *(Chairman)*

Executive Director

Dr. GE Junyou (葛均友)

Non-executive Directors

Mr. LIU Sichuan (劉思川)
Mr. LAI Degui (賴德貴)
Mr. FENG Hao (馮昊)
Ms. LIAO Yihong (廖益虹) (appointed on June 20, 2025)
Mr. ZENG Xuebo (曾學波)
Mr. LI Dongfang (李東方) (resigned on June 20, 2025)

Independent Non-executive Directors

Dr. ZHENG Qiang (鄭強)
Dr. TU Wenwei (涂文偉)
Dr. JIN Jinping (金錦萍)
Dr. LI Yuedong (李越冬)

SUPERVISORY COMMITTEE

From the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025, the Company had the following Supervisors:

Ms. LIAO Yihong (廖益虹)
Dr. SONG Hongmei (宋宏梅)
Ms. YANG Qiuyan (楊秋艷)
Dr. QING Yan (卿燕)

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors, Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) and senior management of the Group are set out on pages 51 to 60 in the section headed "Directors, Supervisors and Senior Management" of this annual report. Save as disclosed in this annual report, the Directors, Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) and senior management of our Group do not have financial, business, family or other material/relevant relationships with one another.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual confirmation in writing of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that, as at the date of this annual report, all of the independent non-executive Directors are independent.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Pursuant to Rule 3.25 of the Listing Rules and the CG Code, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration of the Directors, Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) and senior management is determined and recommended based on their experience, qualification, position and seniority. The Directors, Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) and senior management are eligible participants of the applicable share incentive plans.

Details of the remuneration of the Directors, Supervisors, and the five highest paid individuals are set out in Notes 7 and 8 to the Consolidated Financial Statements of this annual report. The amounts represent emoluments paid to or receivable by the Directors, (1) in the case of the executive Directors, in respect of their service in connection with the management of the Company, (2) in the case of independent non-executive Directors, in respect of their service as a Director, and (3) in the case of non-executive Directors, as share-based payments.

None of the Directors or Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) have waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors or the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office, and no consideration was paid by the Group to any third parties for making available Directors' services.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Companies Ordinance) has been in force during the year ended December 31, 2025 and up to the Latest Practicable Date for the benefit of the Directors and Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025).

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed under the sub-sections headed "Connected Transactions" and "Continuing Connected Transactions" in this annual report, no Director or Supervisor (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) nor an entity connected with him/her had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed under the sub-section headed "Connected Transactions" and "Continuing Connected Transactions" in this annual report, none of the Controlling Shareholders have or had a material interest in any contract of significance, whether for the provision of services or otherwise, to the business of the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or subsisted during the Reporting Period.

DIRECTORS' AND SUPERVISORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

As at the end of the Reporting Period, other than the Pre-IPO Employee Incentive Scheme, none of the Directors or their respective spouses or minor children under the age of 18 years were granted with rights, or had exercised any such rights, to acquire benefits by means of purchasing Shares or debentures of the Company. No member of the Group was a party to any arrangements to enable the Directors or their respective spouses or minor children under the age of 18 years to acquire such rights from any other body corporates.

During the Reporting Period, other than the Pre-IPO Employee Incentive Scheme, the Company did not grant any rights to acquire benefits by means of the acquisition of Shares or debentures of the Company to any Directors or Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) or their respective spouses or minor children under 18, and none of them has exercised such rights.

NON-COMPETITION UNDERTAKING

Each of Kelun Pharmaceutical and Mr. LIU Gexin (each a Controlling Shareholder) has entered into a deed of non-competition with the Company.

Pursuant to Kelun Pharmaceutical's deed of non-competition, the Remaining Kelun Group has confirmed and undertaken that, among others, it is not directly or indirectly engaged in, and during the period of Kelun Pharmaceutical being a Controlling Shareholder will not directly or indirectly participate in, any business which is the same or similar to, or constitutes direct or indirect competition with, the principal business or principal products of our Group, and it shall procure other enterprises, organizations or institutions controlled by it to comply with Kelun Pharmaceutical's deed of non-competition.

Pursuant to Mr. LIU Gexin's deed of non-competition, Mr. LIU Gexin has confirmed and undertaken that, among others, the enterprises, organizations or institutions controlled by him will not directly or indirectly engage in, and during the period of being a Controlling Shareholder will not directly or indirectly participate in, any business which is the same or similar to, or constitutes direct or indirect competition with, the principal business or principal products of our Group, and he will procure other enterprises, organizations or institutions controlled by him to comply with his deed of non-competition.

The Company has received from Kelun Pharmaceutical and Mr. LIU Gexin a confirmation of their compliance with their respective deed of non-competition during the Reporting Period. The independent non-executive Directors have also reviewed Kelun Pharmaceutical and Mr. LIU Gexin's compliance with the Deed of Non-Competition for the Reporting Period.

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESSES

During the Reporting Period, none of the Directors and Supervisors (from the beginning of the Reporting Period until the abolishment of the Supervisory Committee on June 20, 2025) or their respective close associates (as defined in the Listing Rules) has interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at December 31, 2025, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (the "Associated Corporations") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors and chief executive(s) of the Company are taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(a) Interest in the Shares of the Company

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

Notes:

(1) As at December 31, 2025, the Company had a total of 233,185,969 issued Shares, consisting of (i) 70,415,990 Unlisted Shares, comprising 65,773,800 Domestic Shares and 4,642,190 Unlisted Foreign Shares, and (ii) 162,769,979 H Shares.

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

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

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

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

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

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

(L) Long position.

(b) Interest in the shares of Associated Corporations

Name of associated corporation	Name of Director, Supervisor or chief executive	Position	Nature of Interest	Number of shares[6] held in the associated corporation	Approximate percentage of shareholding in the total issued share capital of the associated corporation (%)
Kelun Pharmaceutical [2]	LIU Gexin	Chairman of the Board and non-executive Director	Beneficial owner	379,128,280 (L)	23.72 [1]
	GE Junyou	Executive Director and general manager	Beneficial owner	295,000 (L)	0.02 [1]
	LIU Sichuan	Non-executive Director	Beneficial owner	8,346,286 (L)	0.52 [1]
	LAI Degui	Non-executive Director	Beneficial owner	446,699 (L)	0.03 [1]
	FENG Hao	Non-executive Director	Beneficial owner	431,534 (L)	0.03 [1]
	LIAO Yihong	Non-executive Director	Beneficial owner	121,667 (L)	0.01 [1]
Zhejiang Keyun [3]	LAI Degui	Non-executive Director	Beneficial owner	2,000,000 (L)	10.00 [5]
			Interest in controlled corporation [4]	3,200,000 (L) [4]	16.00 [5]
	FENG Hao	Non-executive Director	Beneficial owner	2,000,000 (L) [4]	10.00 [5]
			Interest in controlled corporation [4]	3,200,000 (L) [4]	16.00 [5]

Notes:

(1) As at December 31, 2025, Kelun Pharmaceutical had a total of 1,598,053,372 issued shares.

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

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

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

(5) As of December 31, 2025, Zhejiang Keyun had a total of RMB20,000,000 registered capital.

(6) All ordinary shares.

(L) Long position.

Save as disclosed above, as at December 31, 2025, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best knowledge of the Company based on public information, as at December 31, 2025, the interests or short positions of the following persons (other than the Directors and chief executives of the Company) in the Shares or underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which any such persons other than the Directors and chief executives of the Company are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number and class of Shares held[1]	Approximate percentage of shareholding in the relevant class of Shares[1] (%)	Approximate percentage of shareholding in the total share capital of our Company[1] (%)
Kelun Pharmaceutical	Beneficial owner	57,777,843 H Shares (L)	35.50	24.78
	Interest in controlled corporations [2]	33,811,700 H Shares (L) [2]	20.77	14.50
	Beneficial owner [3]	62,201,712 Unlisted Shares (L) [3]	88.33	26.67
Kelun Jingchuan	Interest in controlled corporations [4]	29,244,000 H Shares (L) [4]	17.97	12.54
Merck & Co., Inc. [5]	Interest in controlled corporations [5]	13,443,693 H Shares (L)	8.26	5.77
Merck Sharp & Dohme LLC [5]	Beneficial owner	13,443,693 H Shares (L)	8.26	5.77
DFZQ[6]	Beneficial owner	10,000 H Shares (L)	0.01	0.00
	Interest in controlled corporations[7]	8,318,300 H Shares (L)	5.11	3.57
China Universal Asset Management Co., Ltd.[7]	Beneficial owner	8,318,300 H Shares (L)	5.11	3.57
Ho Chi Sing	Interest in controlled corporations[8][9]	4,642,190 Unlisted Shares (L)	6.59	1.99
Yang Fei	Interest in controlled corporations[8]	3,633,914 Unlisted Shares (L)	5.16	1.56
IDG Breyer Capital Fund GP Associates Ltd.	Interest in controlled corporations[8]	3,633,914 Unlisted Shares (L)	5.16	1.56
IDG Breyer Capital Fund GP Associates L.P.	Interest in controlled corporations[8]	3,633,914 Unlisted Shares (L)	5.16	1.56
IDG Breyer Capital Fund L.P.	Interest in controlled corporations[8]	3,633,914 Unlisted Shares (L)	5.16	1.56
Victory Rhythm Limited	Interest in controlled corporations[8]	3,633,914 Unlisted Shares (L)	5.16	1.56
Wealthy Linkage Limited	Beneficial owner	3,633,914 Unlisted Shares (L)	5.16	1.56

Notes:

(1) As at December 31, 2025, the Company had a total of 233,185,969 issued Shares, consisting of (i) 70,415,990 Unlisted Shares, comprising 65,773,800 Domestic Shares and 4,642,190 Unlisted Foreign Shares, and (ii) 162,769,979 H Shares.

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

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

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

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

(6) DFZQ (東方證券股份有限公司) is a company listed on The Stock Exchange of Hong Kong Limited (stock code: 03958.HK).

(7) DFZQ is interested in a total of 8,328,300 H Shares, comprising (i) 10,000 H Shares directly held as beneficial owner; (ii) 8,318,300 H Shares held by China Universal Asset Management Company Limited. China Universal Asset Management Company is a non-wholly owned subsidiary of DFZQ.

(8) Wealthy Linkage Limited is directly and wholly owned by Victory Rhythm Limited, which is in turn directly and wholly owned by IDG Breyer Capital Fund L.P. ("IDG Breyer Fund"), The sole general partner of IDG Breyer Fund is IDG Breyer Capital Fund GP Associates L.P. ("IDG Breyer Associates L.P."), while IDG Breyer Capital Fund GP Associates Ltd. ("IDG Breyer Associates Ltd.") serves as the sole general partner of IDG Breyer Associates L.P.. IDG Breyer Associates Ltd. is controlled by Ho Chi Sing and Yang Fei.

(9) Leyue Capital Limited, which directly held 1,008,276 Unlisted Shares as beneficial owner, is directly and wholly owned by IDG Capital Project Fund Rhododendron L.P. ("IDG Rhododendron"). The sole general partner of IDG Rhododendron is IDG Capital Project Fund Rhododendron GP L.P. ("IDG Rhododendron GP L.P."), while IDG Capital Project Fund Rhododendron GP Ltd. ("IDG Rhododendron GP Ltd.") serves as the sole general partner of IDG Rhododendron GP L.P.. IDG Rhododendron GP Ltd. is controlled by Ho Chi Sing and Quan Zhou.

(L) Long position.

Save as disclosed above, as at December 31, 2025, no person (other than the Directors and chief executives of the Company as set out in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and debentures of the Company and its Associated Corporations" in this annual report) had any interests or short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PRE-IPO EMPLOYEE INCENTIVE SCHEME

The Pre-IPO Employee Incentive Scheme was adopted and approved by resolutions in writing by the Board in 2016, and was further revised in May 2020, January 2023 and April 2023. The purpose of the Pre-IPO Employee Incentive Scheme is to provide equity incentives for core employees to attract and recruit skilled personnel, in order to fully mobilize the enthusiasm of core employees, ensure stability, motivation and long-term core R&D personnel's labor relationships and aligning core employees' interest with the long-term development of the Company. The Pre-IPO Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it will not involve the grant of new options or awards by the Company after the Listing.

The Company has established four employee incentive platforms, namely Kelun Huicai, Kelun Huide, Kelun Huineng and Kelun Huizhi (the "Employee Incentive Platforms"), in the form of limited partnerships. As at December 31, 2025, awards corresponding to a total of 22,936,250 Shares have been granted to the Participants pursuant to the Pre-IPO Employee Incentive Scheme.

The following is a summary of the principal terms of the Pre-IPO Employee Incentive Scheme.

1. Summary of terms

(a) Purpose

For the purpose of quickly attracting and recruiting high-end talents, fully mobilizing the enthusiasm of our core employees, ensuring stability, motivation and long-term core R&D personnel's labor relationships, accelerating the development process of products candidates, encouraging core employees to work hard and aligning their interest with the long-term development of our Company, the Company provides equity incentives for core employees.

(b) Form of Scheme

Participants, as partners of the Employee Incentive Platforms which are in the form of limited partnerships, shall subscribe for the capital contribution of the limited partnership interest according to the amount approved by the equity incentive management committee (the "Equity Incentive Management Committee"), and make the corresponding payment in accordance with the arrangement of the Equity Incentive Management Committee, thereby indirectly holding the shares of the Company by virtue of their capacity as a limited partner of the relevant Employee Incentive Platform.

(c) Participants

The participants include the senior management, key technical personnel and other core employees, directors, supervisors or consultants of the Company, Sichuan Konas and KLUS PHARMA (the "Participants"). The Equity Incentive Management Committee shall determine or adjust the scope of Participants and the incentive shares after considering factors such as the employee's working years, on-boarding situations, annual appraisal performance, nature of the job, seniority, and sense of corporate identity.

(d) Total Number of Incentive Shares

Participants shall hold a total of 30,000,000 shares of the Company through the limited partnerships, which means that four limited partnerships serving as the Employee Incentive Platforms shall hold a total of 30,000,000 shares of the Company, corresponding to the capital of the Company of RMB30 million.

(e) Subscription Price of the Incentive Shares

The subscription price of the incentive shares is based on comprehensive consideration of factors and is determined by the Equity Incentive Management Committee according to the following principles:

The subscription price for the first batch of Participants to subscribe and pay for the incentive shares in 2017 is RMB1.00 per share, and the price for subsequent batches of Participants to subscribe and pay for the incentive shares is calculated as: RMB1.00*(1+6%*N) ("N" refers to the number of years, "N" is calculated by the calendar year in which such Participants were granted incentive shares for the first time less 2017).

(f) Payment of Incentive Share Price

Participants must subscribe for the incentive shares in cash, and should ensure that their source of funds is genuine and lawful.

The subscription period of the incentive shares shall be determined by the Equity Incentive Management Committee. Participants shall make the corresponding payment for incentive shares fully and timely. Participants who fail to pay or pay less than the corresponding price as stated in the notice of grant issued by the Equity Incentive Management Committee are deemed to give up the opportunity to subscribe for the incentive shares. The Equity Incentive Management Committee has the right to adjust or revoke the qualifications of Participants, and return the paid principal (without interest).

(g) Distribution Method of the Incentive Shares

1) Original distribution: Based on the factors such as the current working years and previous performance, the Equity Incentive Management Committee will determine the scope of Participants and the number of the incentive shares. Unless approved by the Equity Incentive Management Committee, the cumulative incentive shares held by a single natural person through this method shall not exceed 0.5% of the total incentive shares. The employees who have obtained the original distribution shares are regarded as the first batch of Participants, and shall make the payment in installments and are deemed to have obtained the incentive shares at the establishment of the limited partnerships.

2) Annual appraisal distribution: According to the annual appraisal by the Company and associated subsidiaries, the Equity Incentive Management Committee has the right to decide to add new Participants or increase the number of the incentive shares of existing Participants every year.

3) Unless approved by the Equity Incentive Management Committee, the cumulative incentive shares held by a single natural person shall not exceed 1% of the total incentive shares subscribed through the original distribution and annual appraisal distribution.

(h) Distribution Procedures of the Incentive Shares

The Equity Incentive Management Committee is responsible for the distribution of the incentive shares. In general, the distribution procedures are as follows:

1) The Equity Incentive Management Committee decides the specific conditions for eligible Participants, the allocation of the incentive shares among different internal departments and divisions, the preliminary grantee list and the number of shares proposed to be granted.

2) The management of relevant departments of the Company and its subsidiaries is responsible for formulating departmental allocation plans, selecting the Participants from the lists, determining the number of incentive shares, and submitting the departmental allocation plans to the Equity Incentive Management Committee.

3) The Equity Incentive Management Committee is responsible for making the final decisions about the selected Participants and number of the incentive shares to be granted to each selected Participants.

4) The selected Participants shall sign relevant legal documents and pay the subscription price in accordance with the arrangement and instructions of the Equity Incentive Management Committee.

(i) Obligations of Participants

The main obligations of Participants are as follows:

1) The incentive shares held by Participants shall be locked up for a period of 4 years from the effective date of the incentive shares grant agreement (the "Incentive Shares Grant Agreement"). During the 4-year lock-up period, Participants are not allowed to transfer the incentive shares to any third party, nor use the incentive shares for guarantee or repayment of debts. During the lockup period, if Participants rescind or terminate the labor or business relationship with the Company or its subsidiaries, Participants shall follow the relevant arrangements to cooperate with the executive partner to go through the relevant procedures for repurchasing their incentive shares. Participants shall voluntarily commit to continuing to hold the incentive shares for more than 1 year after the expiration of the lock-up period.

2) Individual income tax arising from withdrawal, holding or transfer of the incentive shares, dividends or other activities shall be borne by Participants themselves.

3) Participants are obliged to abide by other relevant administration measures formulated by Kelun Pharmaceutical and the Company at the general meetings, the meetings of board of directors and the meetings of the Equity Incentive Committee.

(j) Arrangements for Participants Resigning during the Lock-up Period

During the lock-up period, if Participants rescind or terminate the labor or service contracts with the Company or its subsidiaries, Participants shall transfer all their incentive shares to the executive partner or its designated third party according to the requirements of the executive partner. Such incentive shares transferred to the executive partner or the designated third party shall be used in accordance with the decision of the Equity Incentive Management Committee.

(k) Overall Repurchase of the Incentive Shares

For the incentive shares held by Participants, Kelun Pharmaceutical or its subsidiaries shall have the right to repurchase relevant incentive shares as a whole according to business needs. Overall repurchase can be done all in one time or in batches.

When conducting the overall repurchase, appropriate methods such as issuing shares to purchase assets, repurchasing in cash, or a combination of these two methods may be adopted. When necessary, an independent third-party financial consultant or valuer could be engaged to assess the fair valuation of the relevant incentive shares.

(l) Adjustment to the Pre-IPO Employee Incentive Scheme

When the number of Participants, fundraising methods and incentive methods may raise regulatory concern or affect the long-term development of the Company's overall interests, Kelun Pharmaceutical and the Company have the right to make corresponding adjustments to the effective documents of the Employee Incentive Scheme and other incentive management measures provided that such adjustments comply with the principles of fairness, justice, win-win and order.

(m) Equity Incentive Management Committee

The Equity Incentive Management Committee is responsible for the daily decision-making, management and execution of employee equity incentive matters. The Equity Incentive Management Committee is composed of five members, elected by and responsible to the Board. The Equity Incentive Management Committee is responsible for the following matters:

1) handling specific matters such as the selection of Participants, determination of allocated shares, and payment arrangements for the incentive shares in line with the Board;

2) daily management of agreements and documents;

3) formulating and revising the rules of procedure of the Equity Incentive Management Committee; and

4) other matters concerning the Equity Incentive Management Committee.

2. Incentive Shares Granted Under the Pre-IPO Employee Incentive Scheme

As at December 31, 2025, awards corresponding to a total of 22,936,250 Shares, representing approximately 76.45% of the total Shares under the Pre-IPO Employee Incentive Scheme, have been granted to the Participants. Save as disclosed below, no awards have been granted to other connected persons of our Group.

Details of the incentive shares granted to the Directors and senior management under the Pre-IPO Employee Incentive Scheme are set out below:

Name	Position	Relevant Employee Incentive Platforms	Number of shares corresponding to awards granted to the Participants as at December 31, 2025	Approximate shareholding percentage corresponding to awards in the total number of shares in issue as at December 31, 2025
Dr. GE Junyou (葛均友)	Executive Director and general manager	Kelun Huicai	2,100,000	0.90%
		Kelun Huizhi	150,000	0.06%
Mr. LAI Degui (賴德貴)	Non-executive Director	Kelun Huicai	465,000	0.20%
Mr. FENG Hao (馮昊)	Non-executive Director	Kelun Huicai	465,000	0.20%
Ms. LIAO Yihong (廖益虹)	Non-executive Director	Kelun Huicai	170,000	0.07%
Mr. FENG Yi (馮毅)	Deputy general manager, chief strategy officer and senior vice president	Kelun Huicai	1,230,000	0.53%
Dr. ZHANG Yiwei (張一偉)	Deputy general manager	Kelun Huineng	350,000	0.15%
Dr. TAN Xiangyang (譚向陽)	Deputy general manager and chief scientific officer of large molecule	Kelun Huineng	350,000	0.15%
Dr. YU Wensheng (俞文勝)	Deputy general manager and chief science officer of small molecule	Kelun Huineng	120,000	0.05%
Dr. JIN Xiaoping (金小平)	Deputy general manager and chief medical officer	Kelun Huicai	630,000	0.27%
Mr. ZHOU Zejian (周澤劍)	Chief financial officer and joint company secretary	Kelun Huide	950,000	0.41%
Mr. DING Nanchao (丁南超)	Deputy general manager and chief marketing officer	Kelun Huizhi	450,000	0.19%
Mr. CHEN Wei (陳巍先生)	Deputy general manager	Kelun Huide	150,000	0.06%

2025 SHARE INCENTIVE SCHEME

The 2025 Share Incentive Scheme was adopted and approved by Shareholders by way of special resolution on December 31, 2025. The purpose of the 2025 Share Incentive Scheme is to establish and improve a long-term incentive mechanism for the Company, attract and retain participants to promote the development and success of the business of the Group, effectively aligning the interests of shareholders, the Company, and Participants, fostering a shared focus on the Company's long-term development, and driving the continuous achievement of the Company's strategic and operational goals. Since the Company may issue new H Shares, utilize treasury shares (if any) or direct and procure the Trustee to purchase existing H Shares (on-market) to satisfy the grant of the Share Award(s) under the 2025 Share Incentive Scheme, the 2025 Share Incentive Scheme is subject to the provisions of Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the 2025 Share Incentive Scheme.

1. Summary of terms

(a) Purpose

For the purpose of establishing and improving a long-term incentive mechanism for the Company, attracting and retaining participants to promote the development and success of the business of the Group, effectively aligning the interests of shareholders, the Company, and participants, fostering a shared focus on the Company's long-term development, and driving the continuous achievement of the Company's strategic and operational goals.

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

(b) Condition

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

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

(c) Limit of the 2025 Share Incentive Scheme

The maximum number of the Shares which will be issued in respect of all Share Awards involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares) that may be granted under the 2025 Share Incentive Scheme adopted by the Company must not in aggregate exceed 3,500,000 H Shares, which is expected to represent approximately 1.5% of the total number of Shares in issue (excluding treasury shares (if any)) as at December 31, 2025.

(d) Individual Limit

Unless approved by the Shareholders in the manner set out in the 2025 Share Incentive Scheme, the total number of Shares issued and to be issued in respect of all awards and options (if any) granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company to each Participant in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding treasury shares (if any)) (the "Individual Limit"). Where any grant of Share Awards under the 2025 Share Incentive Scheme to a Participant would result in the aggregate number of Shares issued and to be issued in respect of all awards and options (if any) granted under the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company to such Participant (excluding any options and awards lapsed in accordance with the terms of the 2025 Share Incentive Scheme and any other share scheme(s) (if any) of the Company) in the 12-month period up to and including the date of such grant exceeding the Individual Limit, such grant shall be subject to separate approval of the Shareholders in general meeting with such Participant and his/her close associates (or his/her associates if the Participant is a connected person of the Company) abstaining from voting.

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

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

(e) Participants and the Basis of Determining the Eligibility of Participants

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

In assessing the eligibility of Participants, the Board or its Delegate(s) will consider, in its sole discretion, on a case-by-case basis, the following factors, including but not limited to (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (ii) the length of engagement with the Group; (iii) the individual contribution or potential contribution to the development and growth of the Group; and (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success. The Board (including the independent non-executive Directors) is of the view that the criteria for the election of eligible Participants are in line with the Company's business needs and industry norm and align with the purpose of the 2025 Share Incentive Scheme. By adopting a multi-faceted approach to eligibility assessment, the 2025 Share Incentive Scheme ensures that the Share Award are granted to those who are most deserving and whose interests are closely aligned with those of our Company and its Shareholders. This approach not only supports the purpose of the 2025 Share Incentive Scheme, namely, to attract, motivate and retain high-caliber talent, but also reinforces the Group's commitment to meritocracy, fairness and long term value creation.

(f) Vesting Period

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

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

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

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

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

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

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

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

(g) Purchase Price

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

(h) Performance Targets

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

(i) Clawback Mechanism

In the event that:

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

(ii) Where a grantee experiences any of the following circumstances of a culpable exit, unvested incentive Shares shall automatically lapse; vested incentive Shares shall be subject to mandatory clawback in accordance with the Company's requirements, with related gains recovered. The Company reserves the right to terminate the employment contract (or service agreement, consultancy agreement or similar arrangement). Where losses are incurred by the Company, the Company further reserves the right to seek compensation from the grantee for damages to the Company's interests or reputation in the following circumstances: 1) during employment, involvement in illegal or disciplinary violations such as accepting bribes, soliciting bribes, misappropriation, theft, or disclosure of business or technical secrets, causing damage to the Company or adversely affecting its reputation; 2) serious dereliction of duty, misconduct, or fraud for personal gain, causing substantial damage to the Company; 3) being subject to criminal liability for criminal acts and being unable to perform duties; 4) violation of the Company's non-competition restrictions; 5) material breach of the Company's labour discipline or regulations; 6) other circumstances recognised by the equity incentive management committee as constituting culpable exit.

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

(j) Duration of the 2025 Share Incentive Scheme

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

(k) Administration

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

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

(l) Termination

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

2. Share Awards Granted Under the 2025 Share Incentive Scheme

As at December 31, 2025, the Company had not appointed a Trustee under the 2025 Share Incentive Scheme and none of the Share Awards under the 2025 Share Incentive Scheme have been granted to any of the participants.

As at December 31, 2025, the maximum number of Share Awards available for grant under the 2025 Share Incentive Scheme is 3,500,000 H Shares.

CONNECTED TRANSACTIONS

The following transactions constituted connected transactions of the Company under the Listing Rules during the Reporting Period:

Property Lease Agreement and Equipment Lease Agreement

As disclosed in the section headed "Connected Transactions" in the Prospectus, the Company (as lessee) and Kelun Pharmaceutical (as lessor) had entered into a property lease agreement (the "2022 Property Lease Agreement) and an equipment lease agreement (the "2022 Equipment Lease Agreement") prior to the listing of the Company. As each of the 2022 Property Lease Agreement and the 2022 Equipment Lease Agreement has expired on December 31, 2024, the Board has resolved on January 28, 2025 to enter into the 2025 Property Lease Agreement and the 2025 Equipment Lease Agreement, each for a term commencing on January 1, 2025 and ending on December 31, 2027.

Pursuant to the 2025 Property Lease Agreement, Kelun Pharmaceutical agrees to lease the properties with a total gross area of approximately 30,818.5 square meters located at No. 666 Xinhua Avenue, Wenjiang District, Chengdu, the PRC (中國成都市溫江區新華大道666號) (the "Properties"), including the Kelun-Biotech A Building (科倫博泰A樓) (formerly known as the biology building (生物樓)), cold storage (產品冷庫), cold filler storage (填料冷庫), certain areas of the Complex Office Building (綜合辦公樓) (formerly known as the multi-purpose building (綜合樓)) and R&D Institute Building (研究院樓) (formerly known as the R&D building (研發樓)) and housing to the Company for use in connection with the Company's daily operations and business at a rent of RMB8,959,368.00 per year (inclusive of value added tax). The rent shall be paid annually by December 31 of each year. The Company has been leasing the Properties from Kelun Pharmaceutical for a period of time for use in connection with the Company's daily operations and business, such as R&D activities, storage house, office spaces and staff housing. By continuing to lease the Properties, the Company would reduce costs associated with looking for new premises and negotiating the terms of new lease agreements with third-party owners.

Pursuant to the 2025 Equipment Lease Agreement, Kelun Pharmaceutical agrees to lease the equipment (the "Equipment") comprises around 1,074 pieces of equipment including manufacturing machinery, laboratory equipment and instruments to the Company for use in connection with the Company's R&D and manufacturing activities and daily operations at a rent of RMB39,549,200.00 per year (inclusive of value added tax). The rent shall be paid annually by December 31 of each year. The Company has leased certain equipment used in connection with its R&D activities and daily operations from Kelun Pharmaceutical since 2019. Leasing such equipment from Kelun Pharmaceutical has enabled the Company to benefit from Kelun Pharmaceutical's centralized equipment procurement policy, pursuant to which Kelun Pharmaceutical is able to procure equipment at a favorable price and then lease it to its subsidiaries (including the Company) at a correspondingly favorable price.

In accordance with IFRS 16, the Company will recognize a right-of-use asset on its consolidated statement of financial position in connection with each of the lease of the Properties under the 2025 Property Lease Agreement and the lease of the Equipment under the 2025 Equipment Lease Agreement. In accordance with IFRS 16, the value of the right-of-use asset to be recognized by the Company on its consolidated statement of financial position in respect of the lease of the Properties under the 2025 Property Lease Agreement and the lease of the Equipment under the 2025 Equipment Lease Agreement is approximately RMB22.6 million and RMB95.8 million, respectively.

CONTINUING CONNECTED TRANSACTIONS

The following transactions constitute continuing connected transactions of the Company during the Reporting Period and are required to be disclosed in this annual report in accordance with Rule 14A.71 of the Listing Rules:

Continuing connected transaction	Date of signing the agreement	Commencement date of term of agreement	Connected person	Description and purpose of the transaction	Annual cap for the year ended December 31, 2025 RMB'000	Actual transaction value for the year ended December 31, 2025[2] RMB'000
Auxiliary R&D Services Framework Agreement (as amended and supplemented by a supplemental agreement dated August 19, 2024)	June 1, 2023	Listing Date	Kelun Pharmaceutical (including its subsidiaries other than our Group)	Procurement of auxiliary R&D services and/or purchases of auxiliary R&D equipment from Kelun Pharmaceutical (including its subsidiaries other than our Group)	17,000	11,510.26
				Provision of auxiliary R&D Services and/or sales of auxiliary R&D equipment from our Group	18,000	7,006.97
R&D-related Drugs and Consumables Framework Agreement	June 1, 2023	Listing Date	China Resources Kelun (Sichuan) Medicine Limited (華潤科倫醫藥(四川)有限公司) ("China Resources Kelun") (including its subsidiaries)[1]	Procurement of R&D-related drugs and consumables from China Resources Kelun	30,000	528.94
Licensing Agreement	January 12, 2017	January 12, 2017	Kelun Research Institute (including its subsidiaries)	Grant of exclusive license rights to us to globally promote and commercialise A167	Determined by a formula in accordance with the terms set out in the Licensing Agreement	within the deminimis threshold under Rule 14A.76(1)(a) of the Listing Rules
Sales and Distribution Framework Agreement	October 31, 2024	October 31, 2024	China Resources Kelun[1]	Sales of certain commercialized products of the Company to China Resources Kelun	15,000	4,764.65
Promotional Services Framework Agreement	February 12, 2025	February 12, 2025	Sichuan Kelun Jiaxun Pharmaceutical Technology Co., Ltd. (四川科倫嘉訊醫藥科技有限責任公司) (including its affiliates) ("Kelun Jiaxun")	Provision of promotional services to the Company	35,000	8,268.40

Notes:

(1) Formerly named Sichuan Kelun Medicine & Trade Group Co., Ltd. (四川科倫醫藥貿易集團有限公司).

(2) For the Promotional Services Framework Agreement, the transaction value is for the period commencing from the commencement date of the term of the relevant agreement to December 31, 2025.

The detailed terms of the continuing connected transactions are as follows:

Auxiliary R&D Services Framework Agreement

We have historically procured auxiliary R&D services and goods, which include process development and optimization, sample purification, crystallization screening, GMP batch release testing, packing material and releasing testing from Kelun Pharmaceutical and its subsidiaries, excluding our Group (the "Remaining Kelun Group"), and have provided auxiliary R&D services, which include preclinical animal studies (including toxicology, pharmacokinetics, pharmacodynamic and screening studies), clinical biostatistics, data management, quality control and clinical audit, and other supporting services, to the Remaining Kelun Group (collectively, the "Auxiliary R&D Services") from time to time in our ordinary and usual course of business. We intend to continue such procurement of services and goods and provision of services with the Remaining Kelun Group after the Listing. On June 1, 2023, our Company and Kelun Pharmaceutical (for itself and on behalf of the Remaining Kelun Group) entered into a framework agreement in relation to the procurement of the Auxiliary R&D Services (the "Auxiliary R&D Services Framework Agreement"), pursuant to which Kelun Pharmaceutical (for itself and on behalf of the Remaining Kelun Group) agreed to provide and procure the Auxiliary R&D Services to/from our Group. Kelun Pharmaceutical is one of our Controlling Shareholders and a connected person of the Company.

Taking into account the availability for sale of certain auxiliary R&D and other miscellaneous equipment and materials (the "Auxiliary R&D Equipment") by the Group and the Remaining Kelun Group from time to time, on August 19, 2024, the Company and Kelun Pharmaceutical (for itself and on behalf of the Remaining Kelun Group) entered into a supplemental agreement (the "Supplemental Agreement") to revise the service scope, pricing policy and, for the years ended December 31, 2024 and 2025, the annual caps under the Auxiliary R&D Services Framework Agreement, to include the sales and purchases of the Auxiliary R&D Equipment.

Pricing

In respect of the Auxiliary R&D Services under the Auxiliary R&D Services Framework Agreement, the services fees have been and will be based on cost-plus basis according to (i) the actual cost of provisions of such services (such as the labor cost and the cost of consumables used for providing the services); plus (ii) the agreed margin rates. The margin rates are determined through arm's length negotiation with reference to the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus-margins of comparable companies offering similar services as stated in a transfer pricing analysis report prepared by an independent certified public accountant. Such margin rates may be changed from time to time and shall not be deemed to be the fixed rate for the transactions throughout the term of the Auxiliary R&D Services Framework Agreement.

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

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

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

(3) the recent market prices of comparable transactions, by making enquiries on market prices of similar materials and/or equipment with industry players and conducting researches on industry websites, and then compare the references with the prices quoted by Remaining Kelun Group to ensure that the price to be paid by the Company for the Auxiliary R&D Equipment to the Remaining Kelun Group will not be higher than the price offered by independent suppliers to the Company.

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

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

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

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

The pricing policies have been followed when determining the price and terms of the transactions conducted during the year.

Annual caps and actual amount

The annual caps for the transactions contemplated under the Auxiliary R&D Services Framework Agreement, and the actual amounts paid or payable for the year ended December 31, 2025 are set out below:

	Annual cap for the year ended December 31,			**Actual transaction value for the year ended December 31,**
	2023 (RMB'000)	2024 (RMB'000)	**2025 (RMB'000)**	**2025 (RMB'000)**
Amounts payable by our Group to the Remaining Kelun Group in respect of the procurement of the Auxiliary R&D Services and/or purchases of Auxiliary R&D Equipment under the Auxiliary R&D Services Framework Agreement	22,000	19,000	**17,000**	**11,510.26**
Amounts payable by the Remaining Kelun Group to us in respect of the provision of the Auxiliary R&D Services and/or sales of Auxiliary R&D Equipment under the Auxiliary R&D Services Framework Agreement	16,000	17,000	**18,000**	**7,006.97**

2026 Auxiliary R&D Services Framework Agreement and 2026 Procurement and Sale of Equipment and Materials Framework Agreement

The term of the Auxiliary R&D Services Framework Agreement commenced from the Listing Date and expired on December 31, 2025 (both days inclusive). The service scope of the Auxiliary R&D Services Framework Agreement (as amended and supplemented by the Supplemental Agreement) includes (1) the provision and the procurement of the Auxiliary R&D Services and (2) the sale and purchase of the Auxiliary R&D Equipment, which are two distinct categories of transactions with different nature and pricing policies. Therefore, the Company considered that it would be more appropriate to regulate the Auxiliary R&D Services-related transactions and the Auxiliary R&D Equipment-related transactions under separate framework agreements with respective annual caps. Such separation would also enable the Company to better monitor the transaction amounts and evaluate the performance of the respective transactions.

As such, with the expiration of Auxiliary R&D Services Framework Agreement, on December 15, 2025, the Company entered into two separate framework agreements, namely the 2026 Auxiliary R&D Services Framework Agreement and the 2026 Procurement and Sale of Equipment and Materials Framework Agreement, each for a term of three years commencing from January 1, 2026 to December 31, 2028. The 2026 Auxiliary R&D Services Framework Agreement and the 2026 Procurement and Sale of Equipment and Materials Framework Agreement had become effective on December 31, 2025 upon the independent Shareholders' approval.

For further details of the 2026 Auxiliary R&D Services Framework Agreement and the 2026 Procurement and Sale of Equipment and Materials Framework Agreement, please refer to the Company's announcement dated December 15, 2025, the Company' circular dated December 15, 2025 and the poll results announcement dated December 31, 2025.

R&D-related Drugs and Consumables Framework Agreement

We have historically procured R&D-related drugs and consumables (the "R&D-related Drugs and Consumables") from China Resources Kelun and its subsidiaries from time to time in our ordinary course of business. R&D-related Drugs and Consumables primarily include clinical comparator drugs which are used in clinical trials to compare the efficacy of an investigational drug to the efficacy of an existing treatment and medical consumables including protective equipment and laboratory supplies. We intend to continue such procurement with China Resources Kelun after the Listing for clinical trial. On June 1, 2023, our Company and China Resources Kelun entered into a framework agreement in relation to the procurement of the R&D-related Drugs and Consumables (the "R&D-related Drugs and Consumables Framework Agreement"), pursuant to which our Group agreed to purchase the R&D-related Drugs and Consumables from China Resources Kelun (for itself and on behalf of its subsidiaries, China Resources Kelun and its subsidiaries collectively referred to as "China Resources Kelun Group"). China Resources Kelun is an associate of Mr. LIU Sichuan, a Director of the Company. Therefore, China Resources Kelun is a connected person of the Company.

Pricing

Pursuant to the R&D-related Drugs and Consumables Framework Agreement, the prices payable by us for procuring the R&D-related Drugs and Consumables have been and will be determined through arm's length negotiation primarily based on the production cost of the R&D-related Drugs and Consumables, the sales price to external third parties and our procurement volume, with reference to a number of factors applicable to all suppliers, including but not limited to the prevailing market price of the relevant drugs and consumables of same quality, specifications of the products, delivery capability, response time and the fees charged for historical transactions of similar nature. The pricing policies have been followed when determining the price and terms of the transactions conducted during the year.

Annual caps and actual amount

The annual caps for the transactions contemplated under the R&D-related Drugs and Consumables Framework Agreement, and the actual amounts paid or payable for the year ended December 31, 2025 are set out below:

	Annual cap for the year ended December 31,			Actual transaction value for the year ended December 31,
	2023 (RMB'000)	2024 (RMB'000)	**2025 (RMB'000)**	**2025 (RMB'000)**
Amounts payable by our Group to China Resources Kelun Group in respect of the procurement of the R&D-related Drugs and Consumables under the R&D-related Drugs and Consumables Framework	20,000	40,000	**30,000**	**528.94**

2026 R&D-related Goods Framework Agreement

The term of the R&D-related Drugs and Consumables Framework Agreement commenced from the Listing Date and expired on December 31, 2025 (both days inclusive). On January 16, 2026, the Company has entered into the 2026 R&D-related Goods Framework Agreement for a term commencing from January 16, 2026 to December 31, 2028, pursuant to which the Company has agreed to procure R&D-related drugs, consumables and fixed assets from China Resources Kelun and/or its subsidiaries from time to time during the term of the 2026 R&D-related Goods Framework Agreement.

For further details of the 2026 R&D-related Goods Framework Agreement, please refer to the Company's announcement dated January 16, 2026 and January 23, 2026.

Licensing Agreement

Kelun Research Institute, a wholly-owned subsidiary of Kelun Pharmaceutical, as the licensor, and our Company, as the licensee, entered into a patent and technology license agreement in relation to A167 (the "Licensing Agreement") on January 12, 2017, pursuant to which Kelun Research Institute agreed to grant exclusive license rights to us to globally promote and commercialize A167 (the "Licensed Product"). Kelun Research Institute is a wholly-owned subsidiary of Kelun Pharmaceutical and a connected person of the Company.

In May 2017, Kelun Research Institute transferred the patent in relation to A167 (the "A167 Patent") to the Company at nil consideration, while retaining certain non-patent technologies. To reflect (i) the licensing of the non-parent technologies by Kelun Research Institute; and (ii) the economic interests of the transferred A167 Patent and its future commercialization value, the Company and Kelun Research Institute agreed to continue the Licensing Agreement.

Under the Licensing Agreement, we do not need to pay any upfront payment to Kelun Research Institute. However, we need to share with Kelun Research Institute the profit derived from the sale of the Licensed Product after its commercialization (the "Profit Sharing"). The Profit Sharing was determined after arms' length negotiations between our Group and the Kelun Research Institute with reference to various factors, including but not limited to the costs and risk of development of the Licensed Product, expected prospects of the development and commercialization of the Licensed Product and the reasons for and benefits of the transactions contemplated under the Licensing Agreement. The term of the Licensing Agreement commenced on the date of the agreement and continues to be in force and effect until the expiration date of the patent of the Licensed Product, being March 1, 2037.

Rule 14A.52 of the Listing Rules provides that the period for the agreement of a continuing connected transaction must not exceed three years except in special circumstances where the nature of the transaction requires a longer period. Our Directors are of the view that the nature of Licensing Agreement requires a longer period commencing from the date of the agreement and continue to be in force until the expiration date of the patent of the Licensed Product, being March 1, 2037, on the grounds that: (i) the Licensing Agreement allowed our Group and Kelun Research Institute to spread the risks and costs associated with the marketing and sales of the Licensed Product and to better deploy their respective resources and established capabilities to expeditiously establish an advantageous position in relevant markets. Imposing a restriction on the term of the Licensing Agreement for a period of three years would deviate from the market prevailing practice and be contrary to the business intention of the parties; (ii) such a long-term cooperation is in the interest of our Company and the Shareholders as a whole; and (iii) as confirmed by Frost & Sullivan, the term of the Licensing Agreement, which exceeds three years, is in line with the industry prevailing practice.

Pricing

The payment receivable by the Kelun Research Institute from us for Profit Sharing pursuant to the Licensing Agreement will be determined in accordance with the following formula:

Sales within the PRC

Amount receivable by Kelun Research Institute under Profit Sharing = net sales revenue[1] x percentage of the profit sharing ratio[2]

Sales outside the PRC

Amount receivable by Kelun Research Institute under Profit Sharing = net sales revenue[1] x 6%

Notes:

1. The net sales revenue refers to the revenue generated from the sales of products excluding packing and shipping fees, relevant tax, advertising fees and commercial discounts.

2. The profit sharing rate will be no more than 4% and will be determined based on the NDA filing status of the Licensed Product as compared to that of its competitors in the market.

Annual caps and actual amount

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement under Rule 14A.53 of the Listing Rules so as to allow us to set the annual caps in relation to continuing connected transactions under the Licensing Agreement as the formula in accordance with the terms as set out in the Licensing Agreement. For details of the grounds for the waiver sought, please refer to the section headed "Connected Transactions – NON-EXEMPT CONTINUING CONNECTED TRANSACTION – Licensing Agreement – Caps on Future Transaction Amounts" in the Prospectus.

The waiver is for a term of three years ended on December 31, 2025. As the waiver has expired, upon review and assessment, the Board has proposed and approved the annual caps in monetary amounts for the transactions contemplated under the Licensing Agreement for the three years ending December 31, 2026, 2027 and 2028, respectively. As the highest applicable percentage ratio (as defined under the Listing Rules) of the highest annual caps for the transactions contemplated under the Licensing Agreement for the three years ending December 31, 2026, 2027 and 2028 is less than 0.1%, the Licensing Agreement and the transactions contemplated thereunder fall within the de minimis threshold under Rule 14A.76(1)(a) of the Listing Rules and are exempt from the annual review, reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will closely monitor the performance of the Licensing Agreement on an on-going basis and will comply with the applicable requirements under Chapter 14A of the Listing Rules.

For the year ended December 31, 2025, the amount paid or payable by us to Kelun Research Institute in respect of the grant of exclusive license rights to us to globally promote and commercialize A167 under the Licensing Agreement as determined by the formula in accordance with the terms as set out in the Licensing Agreement fell within the de minimis threshold under Rule 14A.76(1)(a) of the Listing Rules.

Sales and Distribution Framework Agreement

In light of the expected approval timeline of the Company's late-stage pipeline products and as part of the Company's ongoing pre-marketing and commercialization strategy, the Group has been identifying suitable distributors for sales of its products to end customers. On October 31, 2024, the Company entered into the sales and distribution framework agreement (the "Sales and Distribution Framework Agreement") with China Resources Kelun, pursuant to which the Company has agreed to sell certain commercialized products of the Company (the "Products") to China Resources Kelun, and China Resources Kelun (as a non-exclusive distributor in the PRC) has agreed to sell the same to downstream distributors and/or end customers from time to time. The transactions contemplated under the Sales and Distribution Framework Agreement will be conducted pursuant to an individual distribution agreement which complies with the terms of the Sales and Distribution Framework Agreement. China Resources Kelun is an associate of Mr. LIU Sichuan, a Director of the Company. Therefore, China Resources Kelun is a connected person of the Company.

Pricing

The distribution price of the Products will be negotiated on an arm's length basis between the Group and China Resources Kelun on normal commercial terms with reference to:

(1) the distribution and/or sale prices of the Products in comparable transactions conducted by the Group with independent third parties during the same period (if any);

(2) the distribution and/or sale prices of similar or comparable products made by similarly situated industry players and distributors. The Company will make enquiries regarding distribution prices with industry players and conduct research on industry websites, and then compare the references with the prices quoted by the Company;

(3) cost and expenses in relation to the Products; and

(4) applicable laws and policies with respect to the pricing, procurement and retailing of pharmaceutical products in the PRC.

The pricing policies have been followed when determining the price and terms of the transactions conducted during the year.

Annual caps and actual amount

The annual caps for the transactions contemplated under the Sales and Distribution Framework Agreement, and the actual amounts paid or payable for the year ended December 31, 2025 are set out below:

	Annual cap for the year ended December 31,		Actual transaction value for the year ended December 31,
	2024 (RMB'000)	**2025 (RMB'000)**	**2025 (RMB'000)**
Amounts payable by China Resources Kelun to our Group in respect of the sale of the Products under the Sales and Distribution Framework Agreement	10,000	**15,000**	**4,764.65**

2026 Sales and Distribution Framework Agreement

The term of the Sales and Distribution Framework Agreement commenced from October 31, 2024 and expired on December 31, 2025 (both days inclusive). In light of the expiration of the Sales and Distribution Framework Agreement, on December 31, 2025, the Company and China Resources Kelun have entered into the 2026 Sales and Distribution Framework Agreement for a term commencing from January 1, 2026 to December 31, 2028, pursuant to which the Company has agreed to sell certain of its commercialized products to China Resources Kelun, and China Resources Kelun (as a non-exclusive distributor in the PRC) has agreed to sell and distribute the same in the PRC to downstream distributors and/or end customers from time to time during the term of the 2026 Sales and Distribution Framework Agreement.

For further details of the 2026 Sales and Distribution Framework Agreement, please refer to the Company's announcement dated December 31, 2025.

Promotional Services Framework Agreement

On February 12, 2025, the Company entered into the promotional services framework agreement (the "Promotional Services Framework Agreement") with Kelun Jiaxun and/or its affiliates, pursuant to which Kelun Jiaxun and/or its affiliates will promote the sales of Cetuximab N01 Injection in the PRC through the provision of certain promotional, sales and end customer access services (the "Promotional Services"). In respect of the terms of specific promotional services of Cetuximab N01 Injection contemplated under the Promotional Services Framework Agreement, the Company and Kelun Jiaxun may enter into individual promotional services agreements. Kelun Jiaxun is a wholly-owned subsidiary of Kelun Pharmaceutical, a controlling shareholder of the Company. Therefore, Kelun Jiaxun is a connected person of the Company under Chapter 14A of the Listing Rules.

Pricing

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

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

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

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

The pricing policies have been followed when determining the price and terms of the transactions conducted during the year.

Annual caps and actual amount

The annual caps for the transactions contemplated under the Promotional Services Framework Agreement, and the actual amounts paid or payable for the year ended December 31, 2025 are set out below:

	Annual cap for the year ended December 31, 2025 (RMB'000)	**Actual transaction value for the year ended December 31, 2025 (RMB'000)**
Amounts payable by China Resources Kelun to our Group in respect of the sale of the Products under the Sales and Distribution Framework Agreement	**35,000**	**8,268.40**

2026 Promotional Services Framework Agreement

The term of the Promotional Services Framework Agreement commenced from February 12, 2025 and expired on December 31, 2025 (both days inclusive). In light of the expiration of the Promotional Services Framework Agreement, on December 15, 2025, the Company and Kelun Jiaxun have entered into the 2026 Promotional Services Framework Agreement for a term commencing from January 1, 2026 to December 31, 2028, pursuant to which Kelun Jiaxun and/or its affiliates will provide promotional services to the Company in relation to Cetuximab N01 Injection (formerly A140) (达泰莱®). The 2026 Promotional Services Framework Agreement had become effective on December 31, 2025 upon the independent Shareholders' approval.

For further details of the 2026 Promotional Services Framework Agreement, please refer to the Company's announcement dated December 15, 2025, the Company's circular dated December 15, 2025 and the poll results announcement dated December 31, 2025.

Confirmation of the auditors

In accordance with Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditor has issued a letter to the Board confirming that in respect of the continuing connected transactions ended December 31, 2025:

i. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.

ii. for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group.

iii. nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

iv. with respect to the aggregate amount of each of the continuing connected transactions set out in the above list of continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the annual caps as set by the Company.

Confirmation of the independent non-executive Directors

The independent non-executive Directors had reviewed the above continuing connected transactions and confirmed that such transactions were entered into:

i. in the ordinary and usual course of the Group's business;

ii. on normal commercial terms or better to the Company; and

iii. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Save as disclosed in the sub-section headed "Connected Transactions" and "Continuing Connected Transactions" in this annual report, during the Reporting Period, the Group did not enter into any other transactions which constituted connected transactions or continuing connected transactions that were subject to annual review and reporting requirements under Chapter 14A of the Listing Rules, and the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

None of the related party transactions disclosed in Note 28 to the Consolidated Financial Statements constitute connected transactions or continuing connected transactions which are required to be disclosed pursuant to Chapter 14A of the Listing Rules, except for the transactions disclosed in the sub-section headed "Connected Transactions" and "Continuing Connected Transactions" in this annual report, in respect of which the requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

RETIREMENT BENEFITS SCHEME

The employees of the Group's subsidiaries in the PRC are required to contribute a certain percentage of their payroll to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to this retirement benefits schemes is to make the specified contributions.

Details of the pension obligations of the Company are set out in Note 5(b) to the Consolidated Financial Statements in this annual report. The forfeited contributions under the defined contribution retirement plans may not be used by the Group (on behalf of employees who have left the scheme prior to vesting fully in such contribution) to reduce the existing level of contribution. Therefore, there were no forfeited contributions available for such use at the end of and during each of the years ended December 31, 2024 and 2025.

SHARE CAPITAL

On June 12, 2025, the Company entered into a placing agreement with the Placing Agents, pursuant to which the Placing Agents, each on a several (but not joint nor joint and several) basis, conditionally agreed to procure the placing of, as agent of the Company, or failing which to purchase itself, 5,918,000 H Shares to multiple placees at the placing price of HK$331.80 per Share (with an aggregate nominal value of RMB5,918,000). The placing price represents a discount of approximately 7.58% to the closing price of HK$359.00 per H Share as quoted on the Stock Exchange on June 4, 2025, being the last trading day prior to the signing of the placing agreement. Completion of the June 2025 Placing took place on June 12, 2025. 5,918,000 H Shares were successfully placed by the Placing Agents to not less than six placees who were individual, professional, institutional and/or other investors at the placing price pursuant to the terms and conditions of the placing agreement. The net proceeds from the June 2025 Placing (after deducting all fees, costs and expenses incurred by the Company in connection with the June 2025 Placing including placing commission and levies) amounted to approximately HK$1,943.0 million with the net price of approximately HK$328.31 per H Share.

The June 2025 Placing was undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support the healthy and sustainable development of the Company. For more details of the June 2025 Placing, please refer to the Company's announcements dated June 5, 2025 and June 12, 2025.

The Company received a filing notice dated April 3, 2025 issued by the CSRC in respect of the implementation of the H share full circulation for an aggregate of 25,421,196 Domestic Shares (the "2025 Conversion H Shares"), and the Company received approval from the Stock Exchange for the listing of and the permission to deal in the 2025 Conversion H Shares on April 10, 2025. The conversion of the 2025 Conversion H Shares was completed on April 25, 2025 and the listing of the 2025 Conversion H Shares on the Stock Exchange commenced on April 28, 2025. For more related details, please refer to the Company's announcement dated April 25, 2025.

The Company received a filing notice dated March 26, 2026 issued by the CSRC in respect of the implementation of the full circulation for an aggregate of 3,572,088 Domestic Shares and 4,642,190 Unlisted Foreign Shares (the "2026 Conversion H Shares"), and the Company received approval from the Stock Exchange for the listing of and the permission to deal in the 2026 Conversion H Shares on April 2, 2026. The relevant conversion and trading procedures for the 2026 Conversion H Shares will be completed in due course. For more details, please refer to the Company's announcement dated April 8, 2026.

Details of the movements in share capital of the Company during the Reporting Period are set out in Note 25(c) to the Consolidated Financial Statements in this annual report.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company did not have any distributable reserves.

USE OF NET PROCEEDS FROM GLOBAL OFFERING AND OVER-ALLOTMENT OPTION

The Company received net proceeds of approximately HK$1,258.9 million from the Listing. On August 8, 2023, the Company also received net proceeds of approximately HK$196 million from the full exercise of the Over-allotment Option. The total net proceeds amounted to approximately HK$1,454.9 million. The aforementioned net proceeds amounts were arrived at after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the full exercise of the Over-allotment Option.

The Company has utilized, and expects to utilize, the net proceeds from the Global Offering and the full exercise of the Over-allotment Option in accordance with the intended uses previously disclosed in the Prospectus (following pro rata adjustment based on the actual net proceeds received). For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at the end of the Reporting Period, the Group has used the net proceeds from the Global Offering and the full exercise of the Over-allotment Option as follows:

Intended use of net proceeds		Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as at December 31, 2024 RMB in million	Net proceeds unutilized as at December 31, 2024 RMB in million	Net Proceeds utilized as at the end of the Reporting Period RMB in million	Net Proceeds unutilized as at the end of the Reporting Period RMB in million	Expected time of full utilisation
(1)	Research, development and commercialization of our Core Products, namely, SKB264 and A166	600.9	45%	600.9	0	600.9	0	–
(2)	Research, development and commercialization of our other key products, including A140, A167, A400 and A223	400.6	30%	376.8	23.8	400.6	0	–
(3)	Continued development of our technology platforms, advance our other existing pipeline assets and develop new drug candidates	160.2	12%	130.2	30.0	160.2	0	–
(4)	Funding the expansion of our manufacturing capabilities and quality control system to support the anticipated commercialization of our late-stage assets	106.8	8%	99.7	7.1	106.8	0	–
(5)	Working capital and general corporate purposes	66.9	5%	66.1	0.8	66.9	0	–
Total		1,335.4[(1)]	100%	1,273.7	61.7	1,335.4	0	

Note:

(1) Based on the RMB equivalent of aggregate net proceeds from the Global Offering and the full exercise of the Over-allotment Option.

USE OF NET PROCEEDS FROM THE MAY 2024 PLACING

On May 16, 2024, the placing of 3,648,600 H Shares (with an aggregate nominal value of RMB3,648,600) to multiple placees at the placing price of HK$150.00 per Share was completed. The placing price represents a discount of approximately 6.83% to the closing price of HK$161.00 per H Share as quoted on the Stock Exchange on May 7, 2024, being the last trading day prior to the signing of the placing agreement. The placees were individual, professional, institutional and/or other investors. The net proceeds from the May 2024 Placing amounted to approximately HK$541.4 million with the net price of approximately HK$148.39 per H Share. The May 2024 Placing was undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support the healthy and sustainable development of the Company, and the Directors considered it represented a suitable financing option for the Company to raise further funding to support the Group's continuous development and business growth.

The Company has utilized, and expects to utilize, the net proceeds from the May 2024 Placing in accordance with the intended uses previously disclosed in the announcements of the Company dated May 8, 2024 and May 16, 2024 (the "May 2024 Placing and Subscription Announcements"). For further details, please refer to the May 2024 Placing and Subscription Announcements.

As at the end of the Reporting Period, the Group has used the net proceeds from the May 2024 Placing as follows:

Intended use of net proceeds		Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as at December 31, 2024	Net proceeds unutilized as at December 31, 2024	Net proceeds utilized as at the end of the Reporting Period RMB in million	Net proceeds unutilized as at the end of the Reporting Period RMB in million	Expected time of full utilization
(1)	Research and development, clinical trials, registration filings, manufacturing and commercialization of:							
	(a) our Core Products	172.1	35%	172.1	0	172.1	0	–
	(b) our other products	172.1	35%	165.8	6.3	172.1	0	–
(2)	Enhance our internal research and development technology capabilities, strengthen external collaboration, and expand our product pipeline portfolio	122.9	25%	36.9	86.0	122.9	0	–
(3)	Working capital and general corporate purposes	24.6	5%	11.7	12.9	24.3	0.3	Year 2026
Total		491.6[1]	100%	386.4	105.2	491.3	0.3	

Note:

(1) Based on the RMB equivalent of net proceeds from the Placing.

USE OF NET PROCEEDS FROM THE SUBSCRIPTION

On December 17, 2024, the subscription of 4,423,870 Domestic Shares (with an aggregate nominal value of RMB4,423,870) by Kelun Pharmaceutical at the subscription price of RMB136.21 per Share was completed. The subscription price represents a discount of approximately 6.83% to the closing price of HK$161.00 per Share as quoted on the Stock Exchange on May 7, 2024, being the last trading day prior to the signing of the subscription agreement. The net proceeds from the Subscription is approximately RMB601.4 million with a net subscription price of approximately HK$149.63 per Share. The Subscription was undertaken to further support the healthy and sustainable development of the Company, and the Directors considered it represented a suitable financing option for the Company to raise further funding to support the Group's continuous development and business growth.

The Company has utilized, and expects to utilize, the net proceeds from the Subscription in accordance with the intended uses previously disclosed in the May 2024 Placing and Subscription Announcements. For further details, please refer to the May 2024 Placing and Subscription Announcements.

As at the end of the Reporting Period, the Group has used the net proceeds from the Subscription as follows:

Intended use of net proceeds		Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as at December 31, 2024	Net proceeds unutilized as at December 31, 2024	Net proceeds utilized as at the end of the Reporting Period RMB in million	Net proceeds unutilized as at the end of the Reporting Period RMB in million	Expected time of full utilization
(1)	Research and development, clinical trials, registration filings, manufacturing and commercialization of:							
	(a) our Core Products	210.5	35%	44.0	166.5	209.2	1.3	Year 2026
	(b) our other products	210.5	35%	53.3	157.2	148.5	62.0	Year 2026
(2)	Enhance our internal research and development technology capabilities, strengthen external collaboration, and expand our product pipeline portfolio	150.3	25%	19.7	130.6	76.9	73.4	Year 2026
(3)	Working capital and general corporate purposes	30.1	5%	30.1	0	30.1	0	–
Total		601.4	100%	147.1	454.3	464.7	136.7	

USE OF NET PROCEEDS FROM THE JUNE 2025 PLACING

On June 12, 2025, the placing of 5,918,000 H Shares (with an aggregate nominal value of RMB5,918,000) to not less than six placees at the placing price of HK$331.80 per Share was completed. The placing price represents a discount of approximately 7.58% to the closing price of HK$359.00 per H Share as quoted on the Stock Exchange on June 4, 2025, being the last trading day prior to the signing of the placing agreement. The placees were individual, professional, institutional and/or other investors. The net proceeds from the June 2025 Placing amounted to approximately HK$1,943.0 million with the net price of approximately HK$328.31 per H Share. The placing was undertaken to further enlarge the Shareholders' equity base of the Company, advance the research and development capabilities of the Company and support the healthy and sustainable development of the Company.

The Company has utilized, and expects to utilize, the net proceeds from the June 2025 Placing in accordance with the intended uses previously disclosed in the announcements of the Company dated June 5, 2025 and June 12, 2025 (the "June 2025 Placing Announcements"). For further details, please refer to the June 2025 Placing Announcements.

As at the end of the Reporting Period, the Group has used the net proceeds from the June 2025 Placing as follows:

Intended use of net proceeds		Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as at the end of the Reporting Period RMB in million	Net proceeds unutilized as at the end of the Reporting Period RMB in million	Expected time of full utilization
(1)	Research and development, clinical trials, registration filings, manufacturing and commercialization of our products	1,421.9	80%	0	1,421.9	Year 2027
(2)	Enhance our internal research and development technology capabilities, strengthen external collaboration, and expand our product pipeline portfolio	266.6	15%	0	266.6	Year 2026
(3)	Working capital and general corporate purposes	88.9	5%	0.3	88.6	Year 2026
Total		1,777.4	100%	0.3	1,777.1	

Note:

(1) Based on the RMB equivalent of net proceeds from the June 2025 Placing.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from strict compliance with Rule 8.08(1) of the Listing Rules, such that the minimum percentage of the Shares from time to time held by the public shall be the higher of (a) 20.88% and (b) such percentage of Shares of the enlarged issued share capital of the Company held by the public upon any exercise of the Over-allotment Option. Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirmed that the Company has maintained the aforementioned minimum public float required by the Stock Exchange since the Listing Date and up to the Latest Practicable Date.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Save for the June 2025 Placing (details of which may be found in the section headed "Share Capital" in this annual report), none of the Company or any of its subsidiaries has made any purchase, sale or redemption of the listed securities of the Company (including sale or transfer of treasury shares) during the year ended December 31, 2025.

The Company has not made any sales or transfer of treasury shares on the Stock Exchange during the year ended December 31, 2025. As at December 31, 2025, the Company did not hold any treasury shares.

CHANGE IN CONSTITUTIONAL DOCUMENTS

On June 12, 2025 and June 20, 2025, certain amendments to the articles of association of the Company came into effect to reflect the registered capital and share capital structure of the Company upon the full circulation of certain Domestic Shares and Unlisted Foreign Shares (the completion of which took place in June 2025), and the abolishment of the Supervisory Committee. For further details, please refer to the Company's announcements dated June 12, 2025 and June 20, 2025, and the Company's circular dated May 21, 2025.

Save as disclosed above, there was no significant change to the constitutional documents of the Company for the year ended December 31, 2025.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company or the laws of the PRC which would oblige the Company to offer new shares on a pro-rata basis to its existing Shareholders.

TAX RELIEF AND EXEMPTION

The holders of H Shares of the Company shall pay relevant tax and/or enjoy tax relief and exemption in accordance with the following provisions:

According to the relevant requirements of the Notice on relevant Tax Treatment for the Pilot Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014] 81 號)》), the Notice on relevant Tax Treatment for the Pilot Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016] 127 號)》) and the Announcement on Continuing the Implementation of the Shanghai-Hong Kong, Shenzhen-Hong Kong Stock Connect and the Personal Income Tax Policies Related to Mutual Recognition of Funds between Mainland China and Hong Kong (Announcement No.23 of 2023 of the Ministry of Finance, the State Administration of Taxation and the CSRC) (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告(財政部稅務總局中國證監會公告2023 年第23 號)》) jointly published by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission, for dividends received by domestic individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Company shall withhold and pay individual income tax at the rate of 20%. As to the withholding tax having been paid abroad, an individual investor may file an application for tax credit with the competent tax authority of China Securities Depository and Clearing Corporation Limited with an effective credit document. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. Dividends received by domestic individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax. The Company will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

According to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends paid to individuals by PRC companies are generally subject to an individual income tax levied at a flat rate of 20%. For an individual who has no domicile in the PRC and is not resident in the territory of the PRC or who has no domicile in the PRC and has been resident in the territory of the PRC for less than 183 days cumulatively within a tax year, his/her receipt of dividends from a PRC company is normally subject to a PRC withholding tax of 20% unless specifically exempted or reduced by an applicable tax treaty and other tax laws and regulations.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Holders of H Shares who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H 股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008] 897 號)), a PRC resident enterprise, when distributing dividends for 2008 and for the years afterwards to holders of H Shares who are overseas non-resident enterprises, shall withhold the enterprise income tax at a flat rate of 10%. A non-PRC resident enterprise which is entitled to a preferential tax rate under an applicable tax treaty or arrangement may, directly or through its agent, apply to the competent tax authorities for a refund of the excess amount of tax withheld.

RELATIONSHIPS WITH THE GROUP'S CUSTOMERS AND SUPPLIERS

The Group values long standing relationships with its suppliers and customers. The Group aims at delivering high quality products to its customers and developing mutual trust and enhancing communication and commitment between the Group and its suppliers to maintain sustainable growth.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, revenue attributable to the Group's five largest customers and the largest customer accounted for 76.6% and 39.3%, respectively, of the Group's total revenue for the Reporting Period.

During the Reporting Period, purchases attributable to the Group's five largest suppliers and the largest supplier accounted for 20.4% and 8.9%, respectively, of the Group's total purchases for the Reporting Period.

Each of Kelun Pharmaceutical (a Controlling Shareholder) and Mr. LIU Gexin (Chairman of the Board and Non-executive Director, and a Controlling Shareholder) had an interest in the Group's five largest suppliers for the Reporting Period.

Save as disclosed above, none of the Directors or any of their close associates (as defined in the Listing Rules) or any Shareholders (whom, to the best knowledge and belief of the Directors, own more than 5% of the Company's total issued share capital) had any interest in the Group's five largest suppliers for the Reporting Period.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on it. The Group would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. During the Reporting Period, the Group had complied with the laws, regulations and regulatory requirements of the places where the Group operates in all material respects, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance. During the Reporting Period, none of the Group and the Directors, Supervisors and senior management of the Company were subject to any investigation initiated or administrative penalties imposed by the CSRC, banned from entering the market, identified as inappropriate candidates, publicly condemned by stock exchanges, subject to mandatory measures, transferred to judicial organs or held criminally responsible, and none were involved in any other litigation, arbitration or administrative proceedings which would have a material adverse impact on our business, financial condition or results of operations. Please refer to the section headed "Regulatory Overview" in the Prospectus and the section headed "Industry and Regulation" in the annual results announcement for the year ended December 31, 2025 for more details regarding the relevant laws and regulations which have a significant impact on our business operation.

RELATIONSHIPS WITH THE GROUP'S EMPLOYEES

The Group believes that employees are important and valuable assets. The Group will provide trainings for employees to enhance their knowledge in corporate values and culture and to implement them thoroughly. Meanwhile, the Group encourages staff on continued studies by giving subsidy to recognized development courses. The Group also aims to provide competitive and attractive remuneration packages to retain its employees. The management reviews annually the remuneration package offered to the employees of the Group. Meanwhile, for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group's operations, the Company has adopted the Pre-IPO Employee Incentive Scheme. Details of the scheme is set out in the sub-section headed "Pre-IPO Employee Incentive Scheme" in this annual report.

CHARITABLE DONATIONS

During the Reporting Period, the Company did not make any charitable donations.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

EQUITY-LINKED AGREEMENT

Save as disclosed in this annual report, no equity-linked agreement was entered into by the Company at any time during or subsisted at the end of the year ended December 31, 2025.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Dr. ZHENG Qiang, Dr. TU Wenwei and Dr. LI Yuedong. The chairman of the Audit Committee is Dr. LI Yuedong who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the audited Consolidated Financial Statements for the year ended December 31, 2025 with the management and the auditors of the Company. The Audit Committee considered that the Consolidated Financial Statements are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

INDEPENDENT AUDITORS

The Consolidated Financial Statements for the Reporting Period have been audited by KPMG, who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company. Having been approved by the Board upon the Audit Committee's recommendation, a resolution for the re-appointment of KPMG as the independent external auditors for the ensuing year will be put to the forthcoming annual general meeting of the Company for Shareholder's approval.

Since the Listing Date, the auditors of the Company have not changed. KPMG was appointed as the auditors of the Company for the year 2025 at the 2024 annual general meeting of the Company.

EVENTS AFTER THE REPORTING PERIOD

On March 24, 2026, the IND application for SKB103, the Company's self-developed novel bsADC with combined TAA-targeting and Immuno Oncology mechanisms (TAA-PD-L1), has been approved by the CDE of the NMPA of China for the treatment of advanced solid tumors.

Save as disclosed above and in this annual report, there were no other important events affecting the Company which occurred after December 31, 2025 and up to the date of this annual report of the Directors.

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

Hong Kong, March 23, 2026

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended December 31, 2025.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. During the year ended December 31, 2025, the Board was satisfied that the Company's culture is aligned with its purposes, values and strategies.

Since the Shares of the Company were listed on the Main Board of the Stock Exchange on July 11, 2023, the Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices since the Listing Date.

In the opinion of the Directors, throughout the year ended December 31, 2025, the Company has complied with all the applicable code provisions as set out in the CG Code.

The Company has also put in place certain recommended best practices as set out in the CG Code.

The Board will continue to review and monitor its code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors, the Supervisors and the Group's employees who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all Directors and Supervisors confirmed that they have complied with the Model Code for the year ended December 31, 2025. In addition, the Company is not aware of any non-compliance with the Model Code by the senior management of the Group for the year ended December 31, 2025.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and is collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his/her responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board's responsibilities. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Board Composition

The Board currently comprises eleven Directors, consisting of one executive Director, six non-executive Directors, and four independent non-executive Directors.

Executive Director

Dr. GE Junyou *(General Manager)*

Non-executive Directors

Mr. LIU Gexin *(Chairman of the Board)*
Mr. LIU Sichuan
Mr. LAI Degui
Mr. FENG Hao
Ms. LIAO Yihong (appointed on June 20, 2025)
Mr. ZENG Xuebo
Mr. LI Dongfang (retired on June 20, 2025)

Independent Non-executive Directors

Dr. ZHENG Qiang
Dr. TU Wenwei
Dr. JIN Jinping
Dr. LI Yuedong

The biographical information of the Directors is set out in the section headed "Directors, Supervisors and Senior Management" on pages 51 to 60 of this Annual Report. The relationships between the Directors are disclosed in the respective Director's biography under the section "Directors, Supervisors and Senior Management" of this Annual Report. Mr. LIU Gexin is the father of Mr. LIU Sichuan. Save as disclosed, there is no relationship (including financial, business, family or other material/relevant relationship(s)) between the Board members and in particular, between the Chairman and the General Manager.

Directors' Attendance Records

For the year ended December 31, 2025 the Company convened four regular Board meetings at approximately quarterly intervals in accordance with code provision C.5. 1 of the CG Code.

The attendance record of each Director at the Board meetings, Board Committee meetings and general meetings of the Company held for the year ended December 31, 2025 are set out in the table below:

	Attendance/Number of Meetings				
Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Executive Directors					
Dr. GE Junyou	4/4	N/A	N/A	N/A	2/2
Non-executive Directors					
Mr. LIU Gexin	3/4	N/A	N/A	1/1	2/2
Mr. LIU Sichuan	4/4	N/A	1/1	N/A	2/2
Mr. LAI Degui	4/4	N/A	N/A	N/A	2/2
Mr. FENG Hao	4/4	N/A	N/A	N/A	2/2
Ms. LIAO Yihong (appointed on June 20, 2025)	3/3	N/A	N/A	N/A	1/1
Mr. ZENG Xuebo	4/4	N/A	N/A	N/A	2/2
Mr. LI Dongfang (retired on June 20, 2025)	1/1	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Dr. ZHENG Qiang	4/4	1/1	1/1	0/0	2/2
Dr. TU Wenwei	4/4	2/2	N/A	1/1	2/2
Dr. JIN Jinping	4/4	1/1	1/1	1/1	2/2
Dr. LI Yuedong	4/4	2/2	N/A	N/A	2/2

Note: During the year ended December 31, 2025:

- The Board held four regular meetings and circulated written resolutions six times.
- The Audit Committee held two regular meetings and circulated written resolutions once.
- The Remuneration Committee held one regular meeting and circulated written resolutions twice.
- The Nomination Committee held one regular meeting and circulated written resolutions once.
- General meetings were convened twice on June 20, 2025 and December 31, 2025 respectively.
- Dr. ZHENG Qiang was appointed as a member of the Audit Committee and ceased to be a member of the Nomination Committee, both with effect from June 20, 2025.
- Dr. JIN Jinping was appointed as a member of the Nomination Committee and ceased to be a member of the Audit Committee, both with effect from June 20, 2025.

The attendance record of Mr. LIU Gexin at the meeting by his alternate is set out below:

Name of alternate	Attendance/ Number of Board Meeting
Dr. GE Junyou	1/1

For the year ended December 31, 2025, the chairman of the Board held one meeting with the independent non-executive Directors without the presence of other Directors.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances at the Company's expense for discharging their duties to the Company.

The Directors should disclose to the Company details of other offices held by them in public companies or organizations and other significant commitments. The Board should regularly review the contribution required from each Director to perform his/her responsibilities to the Company, and whether he/she is spending sufficient time performing such responsibilities.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Chairman and General Manager

The positions of Chairman and General Manager (same role as the position of chief executive pursuant to the CG Code) are held by Mr. LIU Gexin and Dr. GE Junyou respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The General Manager focuses on the Company's business development and daily management and operations generally.

Independent Non-executive Directors

During the year ended December 31, 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Each independent non -executive Director should inform our Company as soon as possible if there is any change of circumstances which may affect his/her independence pursuant to Rule 3.13 of the Listing Rules. No such notification was received by the Company for the year ended December 31, 2025. The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

Board Independence Evaluation

The Company has established mechanisms in accordance with the code provision B.1.4 of the CG Code to ensure independent views and input are available to the Board, channels are in place through formal and informal means whereby independent non-executive Directors can express their independent views in an open and candid manner and exercise judgement to better safeguard Shareholders' interests as well as in a confidential manner, should circumstances require; these include dedicated meeting sessions with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which enables it effectively exercise independent judgment. External independent professional advice is available as and when required by individual Directors. The mechanism to ensure independent views and input are available to the Board is reviewed annually. The Nomination Committee has reviewed the mechanisms for obtaining independent views and opinions and confirmed that the mechanisms are operating effectively.

For the year ended December 31, 2025, the Board reviewed the implementation and effectiveness of the mechanism and the results were satisfactory.

Appointment and Re-election of Directors

Under the Articles of Association, the Directors shall be elected or replaced by a general meeting. Directors are appointed for a term of three years, subject to re-election upon expiry of the term.

The Company has entered into a service agreement or an appointment letter with each of the Directors (including non-executive Directors and independent non-executive Directors). Such service contracts and appointment letters are for a term commencing from the date of appointment to the expiry of the term of office of the current session of the Board.

None of the directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

For the year ended December 31, 2025, the Company organized training sessions for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance, continuing obligations and regulatory updates.

For the year ended December 31, 2025, all Directors have participated in appropriate training so as to deepen their understanding of the Listing Rules and other relevant laws and regulations. Ms. LIAO Yihong had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on June 20, 2025, and she has confirmed she understood her obligations as a director.

The training records of the Directors for the year ended December 31, 2025 are summarized as follows:

Directors	Type of Training *Note*
Executive Directors	
Dr. GE Junyou	A
Non-executive Directors	
Mr. LIU Gexin	A
Mr. LIU Sichuan	A
Mr. FENG Hao	A
Ms. LIAO Yihong (appointed on June 20, 2025)	A
Mr. ZENG Xuebo	A
Mr. LI Dongfang (retired on June 20, 2025)	A
Independent Non-executive Directors	
Dr. ZHENG Qiang	A
Dr. TU Wenwei	A
Dr. JIN Jinping	A
Dr. LI Yuedong	A

Note:

Type of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops.

BOARD SKILLS MATRIX

The Board has prepared a Board Skills Matrix in accordance with Code Provision B.1.5 of the CG Code with a mix of skills covering strategy, leadership, industry knowledge and experience, financial literacy/business acumen, risk management and compliance, people management experience, diversity, emerging topics, and qualifications.

The relevant knowledge and experience should relate to, and be assessed against, the Company's business objectives in biopharmaceutical innovation, research and development, production operations, and marketization, and are assessed based on actual business necessities. The Board Skills Matrix is grounded in the Company's core business scenarios, and has clarifies the application scope and value of each skill, aligning with the Company's values, strategy, and desired culture.

The Board will continuously review and inspect the Board Skills Matrix in light of the board performance evaluation and update it from time to time.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of Audit Committee, Remuneration Committee and Nomination Committee are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

Audit Committee

The Audit Committee consists of three members, all of whom are independent non-executive Directors, namely Dr. LI Yuedong, Dr. TU Wenwei and Dr. ZHENG Qiang. Dr. LI Yuedong is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in reviewing the financial information of the Company and their reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditors, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

For the year ended December 31, 2025, the Audit Committee met twice and one written resolution was approved by the Audit Committee, during which the Audit Committee mainly reviewed the proposals regarding the audit procedures for the year ended December 31, 2024 ("FY2024") and the review procedures for the six months ended June 30, 2025 ("2025 Interim Period") conducted by the independent auditor, along with their results; the Company's annual results announcement and annual report for FY2024, the interim results announcement and interim report of 2025 Interim Period, the appointment of the audit firm for the year 2025; the FY2024 work reports on the Company's internal audit and risk management, the effectiveness of risk management and internal control systems for FY2024, the update on the conflict of interest declarations for FY2024, the connected transactions of the Company for FY2024, the update on the list of connected persons, the procurement of non-audit services and special report on deposit and use of proceeds for the Company's private placement of domestic shares.

For the year ended December 31, 2025, the Audit Committee also met the external auditor of the Company once without the presence of the management.

Remuneration Committee

The Remuneration Committee consists of three members, including one non-executive Director, namely Mr. LIU Sichuan, and two independent non-executive Directors, namely Dr. ZHENG Qiang, and Dr. JIN Jinping. Dr. ZHENG Qiang is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure for all Directors and senior management, making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and establishing transparent procedures for developing such remuneration policy and structure.

For the year ended December 31, 2025, the Remuneration Committee met once and one written resolutions were approved by the Remuneration Committee, during which the Remuneration Committee mainly reviewed the 2025 Share Incentive Scheme, specific compensation plan for Directors and supervisors during the remaining terms within 2025 for the third session of both the Board and the board of supervisors, as well as the fourth session of the Board, and the Company's remuneration policy.

The remuneration (excluding share-based payments) of the senior management (excluding Directors), whose biographical details are included in the section headed "Directors, Supervisors and Senior Management" of this Annual Report, during the year falls within the following bands:

Annual remuneration (RMB)	Number of Individuals
2,000,001 to 3,000,000	3
3,000,001 to 4,000,000	2
4,000,001 to 5,000,000	1
5,000,001 to 6,000,000	2
8,000,001 to 9,000,000	1

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions and discretionary bonus. The remuneration policy for independent non-executive Directors is to ensure that independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

Nomination Committee

The Nomination Committee consists of three members, including one non-executive Director, namely Mr. LIU Gexin, and two independent non-executive Directors, namely Dr. TU Wenwei and Dr. JIN Jinping. Mr. LIU Gexin is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, reviewing the Board Diversity Policy and the Director Nomination Policy and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would extensively identify candidates for Directors within the Company and its controlling (investee) enterprises as well as in the labor market. It will gather information about the occupation, education background, job title, detailed information in relation to the work experience and all the part-time positions of the preliminary proposed candidates, and formulate written materials thereon. Then it will convene a committee meeting to conduct qualification review on the candidates in accordance with the requirements for Directors, and then submit to the Board its proposals and relevant information on the candidates for the new Directors.

For the year ended December 31, 2025, the Nomination Committee met once and one written resolutions were approved by the Nomination Committee, during which the Nomination Committee mainly reviewed proposals regarding the preparation of the board skills matrix, nomination of the fourth session of the Board, the independence of the Company's independent non-executive Directors, the structure and performance of the Board and the Board diversity policy, the Company's nomination policy, the mechanism for obtaining independent opinions from the Board, as well as nomination of candidates for senior management of the Company.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews annually the structure, size and composition of the Board and where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to talent, skills, gender, age, cultural and educational background, ethnicity, professional experience, independence, knowledge and length of service. Meanwhile, the Company will consider the above factors based on its business model and its specific needs from time to time. All Board appointments will ultimately be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. The Company aims to maintain an appropriate balance of diversity of perspectives of the Board that are relevant to the Company's business growth.

The Nomination Committee has conducted an annual review of the Board Diversity Policy to ensure its effectiveness. The review results are satisfactory. The Nomination Committee and the Board consider that the current composition of the Board is sufficiently diverse and has met the objectives set out in the Board Diversity Policy and provided the Company with a good balance of skills, experience and diversity of perspectives appropriate to the requirements of its business. The Board targeted to achieve and has achieved to have at least one female Director. In accordance with the new requirements under the CG Code effective on July 1, 2025, the Company further sets its target of appointing one more female Director to increase female gender ratio to be over 30% so as to further ensuring diverse perspectives in reviewing the diversity of the Board.

Gender Diversity

The Company values gender diversity across all levels of the Group. Currently, the Board has three female Directors and eight male Directors, and the Company's general manager, representing its senior management, is male. The Board has achieved its target of having at least one female Director, and considers that the above current gender diversity in the Board is satisfactory. The Board will continue to embrace gender diversity when making future board appointments but no specific targets or timelines to further enhance gender diversity have been set as the Board is of the view that all aspects of diversity should be considered as a whole in the selection of candidates for directorship. The same approach to gender diversity at the Board level also applies to the Group's workforce, including its senior management. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at December 31, 2025:

	Female (Percentage (Number of staff))	**Male (Percentage (Number of staff))**
Board	27.3% (3)	72.7% (8)
Senior Management (excluding executive Directors)	0% (0)	100% (8)
Other employees	54.9% (1,118)	45.1% (918)
Overall workforce	54.5% (1,121)	45.5% (934)

The Board's diversity policy was revised during the year, Specific revisions include supplementary content on gender diversity and monitoring reporting, such as requiring the Board to include at least one Director of a different gender than other Directors. If at any time, all Directors are of the same gender, the Company shall appoint at least one director of a different gender as soon as reasonably practicable and in any case within three months thereafter (or within such other time limit specified by applicable laws and regulations). The Company shall disclose in the "Corporate Governance Report" of its annual report the results of the Company's annual review of the implementation of the policy.

The Company has formulated an employee diversity and labor employment policy for the protection of the diverse identities of employees and ensuring they feel a sense of belonging, respect, and importance. The employment of child labor is strictly prohibited, and applicants of different genders, races, ethnicities, pregnant women, disabilities, or religions are treated equally. The Company has not yet set any plan or measurable goal for gender diversity among all employees. The Company conducted a training on employee diversity and labor employment in 2025.

We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we continue to embrace gender diversity aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board. We do not consider it appropriate to set any specific gender target for its workforce as the Board is of the view that all aspects of diversity should be considered as a whole in the selection of candidates. As an equal opportunity employer, our Company also takes into account other relevant factors in its hiring decisions. We consider that the current gender ratio of the workforce of the Group, including the Board, is appropriate for its current business model and operational needs.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on pages 118 to 185 of this Annual Report.

Director Nomination

Pursuant to the Articles of Association and the terms of reference of the Nomination Committee, the election and change of Directors shall be considered by the Shareholders at the general meetings.

Shareholders individually or jointly holding three percent or more of the Company's Shares with voting rights may directly nominate candidates for election as Directors by way of a proposed resolution in writing, but the number of persons nominated shall comply with the Articles of Association and shall not be greater than the number of Directors proposed to be elected. The proposed resolution shall be delivered to the Company at least 10 business days before the date of the relevant general meeting for consideration at the general meeting.

The Nomination Committee recommends candidates for directorship, taking into consideration the Board Diversity Policy and the candidates' specific qualifications (including whether the candidates can bring views, perspectives, skills, and experience to the Board, and whether the candidates can contribute to the diversity of the Board members). The Board will then shortlist the candidates for submission to the general meeting for consideration.

Mr. GE Junyou was elected as the employee representative Director of the fourth session of the Board at the meeting of the employee representative of the Company held on June 20, 2025.

At the annual general meeting held on June 20, 2025, the Company completed the election of Directors of the fourth session of the Board. Mr. LIU Gexin, Mr. LIU Sichuan, Mr. LAI Degui, Mr. FENG Hao, and Mr. ZENG Xuebo were re-elected as non-executive Directors of the fourth session of the Board. Dr. ZHENG Qiang, Dr. TU Wenwei, Dr. JIN Jinping, and Dr. LI Yuedong were re-elected as independent non-executive Directors of the fourth session of the Board. Ms. Liao Yihong was appointed as a non-executive Director of the fourth session of the Board, while Mr. Li Dongfang has decided to retire as Director, effective on June 20, 2025.

The Nomination Committee will review the policy in relation to the nomination of Directors, as appropriate, to ensure its effectiveness.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2. 1 of the CG Code.

For the year ended December 31, 2025, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, compliance with the Model Code and the "Code for Securities Transactions by Relevant Employees", and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Board has also established a Risk Prevention and Control Leadership Group (風險防控領導小組), consisting of the General Manager and division heads, together with the Audit Committee, which assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

Risk Management

We recognize that risk management is critical to the success of our business operation. Key operational risks faced by us include changes in the general market conditions and the regulatory environment of the Chinese and global biopharmaceuticals markets, our ability to develop, manufacture and commercialize our drug candidates, and our ability to compete with other biopharmaceutical companies. We also face various market risks. In particular, we are exposed to credit, liquidity, interest rate and currency risks that arise in the normal course of our business.

We have adopted a comprehensive set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an on-going basis. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to the Board. The Board supervises the implementation and reviews the effectiveness of our risk management policies at least once a year.

During the year ended December 31, 2025, to monitor the ongoing implementation of risk management policies and corporate governance measures, we have adopted, among other things, the following risk management measures:

- The Board has the responsibility to oversee and manage the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving annual working plan and annual report of our corporate risk management; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in the light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Group.

- Our internal audit department, led by our Risk Prevention and Control Leadership Group, is responsible for (i) formulating our risk management policy and reviewing major risk management issues of our Company; (ii) formulating annual working plan and annual report of risk management; (iii) providing guidance on our risk management approach to the relevant departments in our Company and supervising the implementation of our risk management policy by the relevant departments; (iv) reviewing the relevant departments' reporting on key risks and providing feedback; and (v) education and training in relation to risk management.

- The relevant departments in our Company, including but not limited to the finance department, the legal department and the human resources department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to formalize risk management across our Group and set a common level of transparency and risk management performance, the relevant departments have and will continue to (i) gather information about the risks relating to their operation or function; (ii) conduct risk assessments, which include the identification, prioritization, measurement and categorization of all key risks that could potentially affect their objectives; (iii) continuously monitor the key risks relating to their operation or function; (iv) implement appropriate risk responses where necessary; (v) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework; and (vi) timely report to our internal audit department and Risk Prevention and Control Leadership Group upon the discovery of material risks.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness annually. During the year ended December 31, 2025, we reviewed and enhanced our internal control system. Below is a summary of the internal control policies, measures and procedures we have implemented:

- We have adopted various measures and procedures regarding each aspect of our business operation, such as related party transaction, risk management, protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training about these measures and procedures to our employees as part of our employee training program. Our internal audit department conducts audit field work to monitor the implementation of our internal control policies, reports the weakness identified to our management and Audit Committee and follows up on the rectification actions.

- Our Directors (who are responsible for monitoring the corporate governance of our Group) with help from our legal advisers, will also periodically review our compliance status with all relevant laws and regulations.

- We have established the Audit Committee which (i) makes recommendations to our Directors on the appointment and removal of external auditors and (ii) reviews the financial statements and renders advice in respect of financial reporting as well as oversees internal control procedures of our Group.

- We have engaged Zhong Lun Law Firm LLP as our PRC legal adviser to advise us on and keep us abreast with PRC laws and regulations. We will continue to arrange various trainings to be provided by external legal advisers from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management, and relevant employees on the latest PRC laws and regulations.

- We intend to maintain strict anti-corruption policies among our sales personnel and distributors in our future sales and marketing activities. We will also strive to ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements in the future.

We will conduct periodic review of relevant laws and regulations and amend our internal policies to ensure compliance with the latest applicable laws and regulations.

All divisions/departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The internal audit department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Company has in place the Anti-Corruption Policy and Anti- Fraud Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports to the internal audit department, legal department or the human resources department. All reported cases will be centralized and submitted to the Audit Committee, which is responsible for investigating the reported incidents and taking appropriate measures within their terms of reference. The Company continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organizes anti-corruption training and inspections to ensure the effectiveness of anti-corruption and anti-bribery.

During the year ended December 31, 2025, there was one anti-corruption training provided to all employees. Furthermore, all new staff are required to complete e-learning for anti-corruption and anti-fraud. There were no non-compliance cases in relation to bribery and corruption.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted an annual review of the risk management and internal control systems for the year ended December 31, 2025, which covered the financial, operational and compliance controls, the financial reporting and internal audit function and staff qualifications, experience and relevant resources. The Board endorsed the quality of the Company's internal audit and risk management work for the year 2025, approved the content of the self-assessment report on internal control, and confirmed the effectiveness of the Company's risk management and internal monitoring. The Company's risk management and internal control systems for the year 2025 have been considered effective and adequate, with anti-corruption and anti-fraud systems and procedures functioning well.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended December 31, 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 186 to 190 of this Annual Report.

AUDITOR'S REMUNERATION

The remuneration paid and payable to the external auditor of the Company in respect of audit services and non-audit services for the year ended December 31, 2025 is set out below:

Service Category	**Fees Paid/Payable RMB**
Audit Services	
– Interim Review for the six months ended June 30, 2025 and Annual Audit for the year ended December 31, 2025	2,603,773
Non-audit Services	858,864
Total	3,462,637

COMPANY SECRETARY

For the year ended December 31, 2025, Mr. ZHOU Zejian and Mr. CHUNG Ming Fai have served as the Company's joint company secretaries, of which Mr. Zhou is a full time employee of the Company and Mr. CHUNG is an external company secretary. Mr. Zhou is also our chief financial officer and has day-to-day knowledge of the Company's affairs.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Mr. Zhou has been designated as the primary corporate contact person at the Company who would work and communicate with the external company secretary on the Company's corporate governance and secretarial and administrative matters.

For the year ended December 31, 2025, each of Mr. Zhou and Mr. CHUNG has taken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Shareholders who individually or jointly hold more than ten percent of the Shares of the Company shall have the right to propose to the Board to convene an extraordinary general meeting, and shall make such proposal to the Board in writing. The Board shall, in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association, give written feedback on approval or disapproval of the convening of an extraordinary general meeting within ten days after receiving the written request.

When the Board agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. Changes in the original proposal in the notice shall be subject to the approval of relevant Shareholders. Where the laws, administrative regulations, departmental rules, securities regulatory rules of the places where the Company's Shares are listed have any other provisions, such provisions shall prevail.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within ten days after receipt of the request, Shareholders severally or jointly holding more than ten percent of the Shares of the Company shall be entitled to propose and request in writing to the Supervisory Committee to convene an extraordinary general meeting.

If the Audit Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after receipt of the said request. Changes in the original request in the notice shall be subject to the approval of relevant Shareholders.

If the Audit Committee fails to give the notice of the general meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, Shareholders who individually or collectively hold more than ten percent of the Shares of the Company for more than ninety consecutive days may summon and preside over the meeting themselves.

If the Audit Committee or the Shareholders decide to summon a general meeting on their own initiative, they shall notify the Board in writing.

Where the Shareholders summon a general meeting, the shareholding of the summoning Shareholder prior to the resolution of the general meeting shall not be less than ten percent of the Shares with voting rights of the Company.

Putting Forward Proposals at General Meetings

Shareholders individually or jointly holding more than one percent of Shares in the Company are entitled to make proposals at the general meeting.

Shareholders individually or jointly holding at least one percent of the Shares of the Company may submit extempore proposals in writing to the convener ten days prior to the date of such meeting. The convener shall issue a supplementary notice of the general meeting and make a public announcement of the contents of such extempore proposal within two days after receipt of the proposal, and submit such extempore proposal to the general meeting for consideration. The contents of such an extempore proposal shall fall within the scope of the functions and powers of the general meeting, and contain a clear topic and a specific resolution.

In the notice of the general meetings, the Board will provide the Shareholders with the matters and proposals submitted for consideration at the meeting as well as the contact information of the contact person(s) for the meeting. During the general meetings, Shareholders can raise questions or suggestions as to the matters and proposals submitted for consideration, and the Directors attending the meeting are responsible for explaining, recording and, if necessary, providing further details.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders should direct their questions about their shareholdings, if any, to the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712- 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Shareholders may make enquiries to the Board or the Company in relation to corporate governance or other matters by mail to the Company's headquarters (No. 666 Xinhua Avenue, Chengdu Cross -Strait Science and Technology Industrial Development Park, Wenjiang District, Chengdu, Sichuan Province, the PRC) or the Company's principal place of business in Hong Kong (Attention: Joint Company Secretary of Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong).

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has adopted the Shareholders' Communication Policy, which aims to set out the approach of the Board to provide Shareholders of the Company and other stakeholders (including potential investors) information about the Company, in a fair and equal manner. In accordance with the Shareholders' Communication Policy, the Company endeavors to maintain an ongoing communication with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming annual general meeting, our Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

The Company discloses information and publishes corporate communication to the public on the Stock Exchange's website in a timely manner in accordance with the Listing Rules and the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. To promote effective communication, the Company maintains a website at https://kelun-biotech.com where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

Shareholders' Communication Policy

The Company has in place a Shareholders' Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. We annually review the implementation and effectiveness of the Shareholders' Communication Policy (with communication channels). Following our review for the year ended December 31, 2025, we have concluded that the above policy provides sufficient opportunity and channels for ongoing communication between the Company (including the Board and management) and our Shareholders.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) General Meetings

Shareholders are encouraged to participate in general meetings, and if they are unable to attend, they may appoint proxies to attend and vote on their behalf at meetings.

The Company will make appropriate arrangements for general meetings to encourage Shareholders' participation.

The Company will review the procedures for general meetings from time to time to ensure its compliance with the provisions of the Articles of Association, the Listing Rules and the applicable laws of the PRC and to follow good corporate governance practices.

Board members, appropriate management executives and external auditor of the Company and such other persons as the Directors consider appropriate shall attend general meetings to answer questions from Shareholders.

The relevant circular and meeting materials will be despatched to the Shareholders in advance in accordance with the relevant provisions of the Listing Rules.

(b) Shareholders' Enquiries

Shareholders should direct their questions about their shareholdings, if any, to the Company's H Share Registrar in Hong Kong.

Shareholders and investors may at any time request for the Company's information to the extent such information is publicly available.

Shareholders may at any time direct enquiries (including any questions regarding the Shareholders' Communication Policy), request for the Company's information to the extent such information is publicly available, and provide comments and suggestions to the office of the Board. Such questions, requests and comments may be sent by mail to the Company's headquarters (No. 666 Xinhua Avenue, Chengdu Cross-Strait Science and Technology Industrial Development Park, Wenjiang District, Chengdu, Sichuan Province, PRC) or the Company's principal place of business in Hong Kong (Attention: Joint Company Secretary of Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong).

In order to facilitate timely and effective communication and exchange, Shareholders are encouraged to provide their contact details, in particular email addresses, to the Company's H Share Registrar in Hong Kong.

(c) Company's Website

A dedicated "Investor Relations" section is available on the Company's website. Information on the Company's website is updated on a regular basis.

Information published by the Company on the website of the Stock Exchange will also be posted on the Company's website immediately thereafter. Such information includes, but is not limited to, annual reports, interim reports, announcements, circulars, notices of general meetings and information required to be disclosed from time to time under the Listing Rules.

Press releases and publications published by the Company from time to time will also be available from the Company's website.

(d) Communication with the Capital Markets

The Company will launch various activities from time to time, such as briefing sessions, roadshows, media interviews and marketing activities for investors, to facilitate communication and exchange of views between the Company and Shareholders and investors.

The designated personnel of the Company shall comply with relevant rules and the disclosure policies of the Company regarding the disclosure obligations and provisions when contacting or communicating with investors, analysts, media or other relevant external parties.

Amendments to Constitutional Documents

The Company has completed the placement of 5,918,000 H-shares on June 12, 2025. Amendments to the Articles of Association have been made accordingly to reflect changes in registered capital. Please refer to the announcements of the Company dated June 5, 2025 and June 12, 2025 for more details.

The general meeting has considered and approved on June 20, 2025 the resolutions on certain proposed amendments to the Articles of Association to reflect (a) the newly amended Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "New Company Law") which came into effect on July 1, 2024 after taking into account the actual conditions of the Company; (b) the completion of the full circulation of certain domestic shares and unlisted foreign shares of the Company dated September 17, 2024 and April 25, 2025, respectively; (c) in view of the amendments to New Company Law which came into effect on July 1, 2024, the main aspects of proposed articles amendments of: (i) the removal of the establishment of the Supervisory Committee, (ii) the establishment of the role of an employee representative Director, and (iii) consequential amendments as a result of such legal and regulatory changes; (d) the amendments to the Guidelines on Articles of Association of Listed Companies (《上市公司章程指引》) which came into effect on March 28, 2025; and (e) governance need of the Company. Please refer to the announcement of the Company dated October 31, 2024, January 28, 2025, March 24, 2025 and May 15, 2025, and the circular of the Company dated May 21, 2025 for more details.

Save as disclosed above, there has been no significant change to the Articles of Association up to the date of this Annual Report.

Dividend Policy

The Company has adopted a dividend policy on payment of dividends and could be referred from the Management Discussion and Analysis on pages 6 to 50 of this Annual Report. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

REGARDING THIS REPORT

Report Introduction

This report is the 2025 Environmental, Social and Governance Report (hereinafter referred to as "this Report" or "ESG Report") issued by Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (hereinafter referred to as "Kelun-Biotech", the "Company", or "we"), aiming to elaborate on the institutional construction and performance of the Company in 2025 in environmental, social, and governance (hereinafter referred to as "ESG") aspects, and objectively disclose the management and achievements of the Company in sustainable development, to respond to the expectations of stakeholders such as shareholders, employees, partners, and the public.

Scope and Boundary of the Report

This Report is an annual report, covering the work from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "Reporting Period"), with some related information that may date back to the time before the Reporting Period. The policies and data provided in this Report involve Kelun-Biotech and its subsidiaries, with the scope consistent with that of the annual report.

Basis for Report

Preparation – This report is prepared in accordance with Appendix C2 Environmental, Social and Governance Reporting Code (hereinafter referred to as the "ESG Reporting Code") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "SEHK" or the "Stock Exchange of Hong Kong").

The preparation of this Report follows the reporting principles of materiality, quantification, balance and consistency. In this Report, the Company has disclosed the process of identifying significant ESG factors and, on this basis, measured and disclosed key performance indicators to present our work on aspects of ESG fairly and objectively.

Appendix II of this Report provides a detailed content index of the ESG Reporting Code for the convenience of quick reference by readers.

Data Source and Reliability Assurance

The information and data disclosed in this Report are sourced from the Company's statistical reports and official documents, and have been reviewed by relevant departments. We undertake that this Report does not contain any false records or misleading statements, and we are responsible for the truthfulness, accuracy and completeness of its content. Unless specifically stated otherwise, the currency units mentioned in the report are in Chinese yuan. In case of any inconsistency with the financial report, the financial report shall prevail.

Confirmation and Approval

This Report was approved by the Board of Directors on March 23, 2026 upon confirmation by the management.

Access to this Report and Provision of Feedback

Readers can obtain the electronic version of this Report through the official website of the Stock Exchange of Hong Kong at www.hkexnews.hk or the Company's official website at www.kelun-biotech.com. In case of any discrepancy between the Chinese and English versions of this Report, the Chinese version shall prevail. Should you have any advice or recommendations regarding the Company's disclosure and performance in ESG aspects, please contact us through the following ways.

Email: klbio_ir@kelun.com

Address: No. 666, Section 2, Xinhua Avenue, Wenjiang District, Chengdu

MESSAGE FROM THE MANAGEMENT

Kelun-Biotech is a biopharmaceutical company that focuses on innovative drug development, manufacturing and commercialization. It has always considered "innovation-driven" as the most important strategy, adhering to the corporate culture of "Dedicated to Human Health With A Caring Heart", committed to addressing unmet medical needs in China and globally, safeguarding human health.

Since initiating innovation strategy in 2012, and drawing upon over a decade of deep cultivation in the innovative drug sector, the Company has established three core platforms focusing on ADC, biologics, and small molecule technologies. We have built a gradient pipeline matrix covering drug conjugate (DC) and non-DC drugs, boasting a portfolio of over 30 differentiated assets with significant clinical value. To date, 4 products and 8 indications have been successfully approved for market launch. Relying on our industry-leading technological advantages, we are accelerating the drug development process while continuously expanding our therapeutic boundaries. By extending our business scope from oncology to broader medical fields such as autoimmune and metabolic diseases, we strive to benefit an increasing number of patients.

Kelun-Biotech prioritizes quality and has established a mature R&D, production, and quality management system to comprehensively ensure product quality, safety, and stable supply. Following the market approval and inclusion of several innovative products, such as sacituzumab tirumotecan, into the National Reimbursement Drug List, we have assembled a highly competitive commercialization team. This team has achieved deep coverage across various markets nationwide, driving the early delivery of high-quality innovative drugs to benefit the public. Concurrently, we have designated AI-empowered full-lifecycle innovative drug development as a core development strategy, constantly promoting the deep coupling of AI technology with our clinical, R&D, and commercialization business segments and leveraging cutting-edge technological tools to drive the high-efficiency and high-quality development.

While deeply cultivating innovation and expanding our business, Kelun-Biotech seamlessly integrates the concept of sustainable development into every aspect of our daily operations and management, comprehensively exploring the convergence of corporate value and social value. We continue to strengthen corporate compliance and risk management capabilities, regard business integrity as the solid foundation for robust development, and actively assume corporate responsibilities. To further enhance ESG governance level, we have established an ESG Working Group under the Board of Directors, forming a three-tier ESG governance structure comprising the "Board of Directors – ESG Working Group – Functional Departments". Through this structure, the Company comprehensively coordinates, advances, and implements various ESG management tasks. Over the past year, we received the Extel "Best ESG" award and achieved an MSCI ESG Rating of AA, demonstrating high recognition of our ESG efforts by the industry and the market.

We adhere to the core value of "focusing on the strivers", fully protect employee rights, place great emphasis on employee development, strive to ensure employee safety, and provide employees with a comprehensive welfare system, clear career development paths, and a healthy and safe working environment, striving to achieve co-creation and sharing with employees.

As a responsible pharmaceutical corporate citizen, we contribute to the realization of a healthy China by basing our efforts on our industry characteristics and leveraging our attributes as a pharmaceutical company. The Company upholds the mentality of open cooperation, actively participates in industry co-construction and engage in deep international cooperation to jointly promote the development of the global pharmaceutical industry and create more value for human health.

Looking ahead, the Company will stay true to the original aspirations and fulfill commitments for sustainable development to continuously provide domestic and foreign patients with clinically significant and cost-effective innovative drugs; in collaboration with partners, we will accelerate the global layout of innovative assets to meet unmet clinical needs worldwide. Through concrete actions, we will fulfill the mission and responsibilities of a pharmaceutical enterprise, continuously contributing to the healthy development of human society.

Executive Director and General Manager of Kelun-Biotech
GE Junyou

CORPORATE AWARDS AND HONORS

National Engineering Research Center of Targeted Biologics

National Development and Reform Commission

High Technology Enterprise

STDSP, SPFD, SPTSSTA

China Pharmaceutical New Elite Innovation Power Award

China National Pharmaceutical Industry Information Center

Gold Award for Best Healthcare Company in mainland China

FinanceAsia

Most Honored Companies

Extel

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ESG MANAGEMENT

Statement of Board of Directors

Kelun-Biotech places great emphasis on the deep integration of ESG management philosophy with the Company's development strategy. The Board of Directors, as the highest responsibility and decision-making body for the Company's ESG governance, coordinates and oversees all ESG management activities of the Company, assuming ultimate responsibilities.

The Board of Directors integrates ESG factors into decision-making and daily operations, aligning with its own development strategy and the expectations of various stakeholders, continuously enhancing the Company's risk resistance and growth resilience. During the Reporting Period, the Board of Directors reviewed and optimized the identification and evaluation results of material issues, clarified the focus of ESG governance work, improved the ESG governance system, and actively took measures to address potential ESG risks and impacts, positioning ESG governance as an important guarantee for the Company's long-term stable development.

The Board of Directors gains effective understanding of the external ESG development trends and stakeholders' concerns about the Company's ESG performance by hearing regular reports from the ESG Working Group and conducting day-to-day enquiries with it, and reviews and approves the annual ESG report, ESG development strategy of the Company and ESG goals which have a significant impact on the Company's business. Kelun-Biotech maintains active communication with stakeholders, responds to ESG-related needs and expectations, and continuously enhances the Company's ESG governance level, thus ensuring the sustainable development of the Company's business.

ESG Governance Structure

Kelun-Biotech has constructed a three-tier governance structure consisting of the Board of Directors, ESG Working Group and ESG Executive Body, wherein the Board of Directors is the highest authority and decision-making body for ESG management and information disclosure, responsible for guiding and supervising the Company's ESG development; the ESG Working Group is led by the Company's General Manager as the leader, leading the heads of relevant departments in conducting ESG management work. By establishing and continuously improving the ESG governance structure, the Company comprehensively enhances its ESG responsibility performance capability, providing assurance for the Company's sustainable development.

The Company has linked sustainability factors to management performance evaluations. In the event of accidents such as safety incidents, they will serve as deduction items affecting the performance assessments of employees and the leaders in charge.

ESG Governance Structure System of Kelun-Biotech

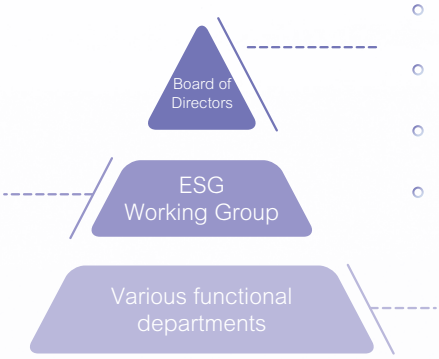
The highest responsible and decision-making body

Review and approve the company's ESG-related matters:

- Development directions, strategies and objectives
- Governance structure and important ESG systems
- Public disclosure of ESG reports and significant information
- Response plan for ESG risk and major negative events

Management body

- Formulate strategies, objectives, annual work plans, and medium to long-term plans
- Improve the ESG management system and measures, and guide the information disclosure work
- Supervise the progress of target achievement and the development of key work
- Identify and assess ESG risks and opportunities, and formulate countermeasures
- Identify important ESG issues and priorities, and maintain continuous communication with stakeholders
- Report regularly to the Board of Directors



Executive body

- Formulate management indicators and implement the annual work plan
- Establish a comprehensive ESG management system
- Identify and assess ESG risks and opportunities, and implement response and management measures
- Respond to the ESG needs of stakeholders
- Assist in ESG reporting and daily information disclosure, participate in the company's ESG publicity and training
- Report regularly to the ESG Working Group

Stakeholder Communication

Kelun-Biotech attaches great importance to the expectations and feedback of stakeholders. To promote two-way communication with stakeholders, the company has established diverse communication channels, maintaining close interaction with stakeholders through offline formats such as roadshows and visits, as well as online platforms like the company's official website, reports and public account media.

Communication with Kelun-Biotech Stakeholders

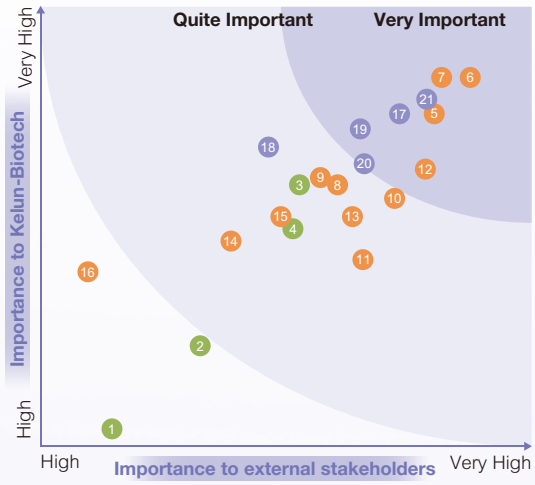
Stakeholders	Important Topics of Primary Concern	Main Communication Channels
Shareholders and investors	Responding to climate change R&D innovation Product safety and quality of service Compliant operation Risk Management	General Meeting of Shareholders Company website Information disclosure Non-deal roadshow On-site investigation
Customers	R&D innovation Product safety and quality of service Data and information security	Product identification and information disclosure Customer complaint channel Customer satisfaction survey
Employee	Employees' rights and welfare Diversity and equality Occupational Health and Safety Employee Training and Development Business Ethics	Comment Box Employee satisfaction survey Employee communication meeting Employee training activities Trade union activities
Suppliers	R&D innovation Intellectual property protection Sustainable supply chain management Business ethics Risk management	Bidding activities Supplier review Supplier communication and training
Partners (non-supplier)	R&D innovation Intellectual property protection Product safety and quality of service Promoting industry development Compliant operation Risk management Data and information security	Strategic partnerships Daily communications Industry forum
Government and regulatory agencies	Responding to climate change Energy management Contaminant management Water resources management R&D innovation Product safety and quality of service Compliant operation	On-site visits Regular communication Information Disclosure
Communities and the public	Contaminant management Product safety and quality of service Occupational health and safety Facilitating inclusive healthcare Carrying out public charity activities Compliant operation	Community advice and suggestions Social public welfare activities News media WeChat public account

Identification and Determination of Important Topics

Kelun-Biotech identifies and determines the ESG-related important topics that reflect the impact on the environment, society and governance in its business activities by integrating national macro policies, the current status of industry disclosure, its own development strategy and expectations of stakeholders.

Determination Process for Important Topics

In 2025, through materiality topic research and analysis, and after review by the Board of Directors and management, we have identified 21 ESG topics of significant impact, including 8 very important topics.



Environment

1. Responding to Climate Change
2. Energy Management
3. Contaminant Management
4. Water Resources Management

Society

5. R&D Innovation
6. Intellectual Property Protection
7. Product Safety and Quality of Service
8. Customer Responsibilities
9. Sustainable Supply Chain Management
10. Employees' Rights and Welfare
11. Diversity and Equality
12. Occupational Health and Safety
13. Employee Training and Development
14. Promoting Industry Development
15. Facilitating Inclusive Healthcare
16. Carrying out Public Charity Activities

Governance

17. Compliant Operation
18. Corporate Governance
19. Business Ethics
20. Risk Management
21. Data and Information Security

Matrix of ESG-related Substantive Topics of Kelun-Biotech

1. EXCELLENCE IN GOVERNANCE AND FACILITATING ORDERLY MANAGEMENT

1.1. Compliance and Business Ethics

Kelun-Biotech adheres to the compliance management philosophy of integrity and law-abiding, standardizes business operations, abides by business ethics, and ensures that the Company's business activities are legal, compliant, stable, and orderly.

Compliant Operation

The Company follows the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Basic Norms for Internal Control of Enterprises, among other legal and regulatory requirements, to formulate compliance management systems such as the Financial Management System, Contract Management System, Employee Code of Conduct and Disciplinary Action Policy, Connection Transactions Management System, and Management System for Conflicts of Interests. In the year 2025, we newly formulated the Anti-Monopoly Compliance Management System to further prevent and control corporate risks.

The Company's Board of Directors has established an audit committee to guide and supervise the internal audit department in conducting regular compliance reviews. The Internal Control Work Committee, established under the management, is responsible for the unified management of the Company's internal controls. The Internal Control Work Committee has established an Internal Control Work Team responsible for the specific execution of internal control activities. In 2025, we established a new Marketing Center Compliance Department to oversee compliance efforts for the Company's commercialization team and continuously enhance the Company's compliance framework.

The Company conducts annual internal control self-assessments to comprehensively identify potential internal control deficiencies and promptly implement corrective measures, ensuring the effective operation of the internal control system. The self-assessment scope covers all levels of the Company, with a focus on high-risk areas such as anti-corruption and anti-fraud, information disclosure, external investments, related-party transactions, and the use of raised funds.

To foster a robust compliance culture, in 2025, we organized employees of Marketing Center, Business and Market Access Department, Clinical Center, and other departments to participate in the "Compliance Training Series", with a total of 957 employees taking part. Additionally, we conducted 13 specialized compliance training sessions for employees in the Marketing Center to ensure marketing compliance.

Anti-corruption

The Company upholds the business philosophy of integrity and compliance, strictly adhering to the requirements of the Company Law of the People's Republic of China, Law of the People's Republic of China for Countering Unfair Competition and other relevant laws and regulations, and further revised the Anti-corruption System and Anti-fraud System in 2025 to regulate various business activities of the Company. In addition, we have formulated and published our Code of Business Ethics and Conduct on our official website, which stipulates in detail the Company's obligations in areas including anti-corruption and anti-commercial bribery, and sets out the code of ethics for employees. We have established a comprehensive business ethics supervision system to rigorously prevent various forms of corruption.

Business Ethics Supervision System of Kelun-Biotech

Board of Directors	Urge management to establish a company-wide culture of anti-corruption and anti-fraud, and develop a comprehensive internal control system that includes measures for fraud prevention
Audit Committee	Serve as the leading and primary responsible body for the Company's anticorruption and anti-fraud efforts, guiding the Company's anti-corruption and anti-fraud activities, and conducting ongoing supervision
Management	Responsible for establishing, improving and effectively implementing anti-fraud procedures and controls, including fraud risk assessment and fraud prevention, and self-assessment
Internal Audit Department	Responsible for the implementation of ongoing daily supervision of anticorruption and anti-fraud within the Company and its subsidiaries (branches)

To ensure the effectiveness of business ethics supervision, we conduct regular audits every three years on the implementation of anti-corruption and other commercial ethics policies, covering all operational locations and business departments. The audit content primarily focuses on potential risk points in the Company's operations, such as commercial bribery, transfer of benefits, and misappropriation of funds.

The Company maintains a "zero-tolerance" stance towards violations of commercial ethics and has formulated the Whistleblower Protection and Reward System to standardize the reporting management process. We have established real-name or anonymous reporting channels such as telephone, email, and letters for employees and all sectors of society, and strictly kept the information of the whistleblowers confidential. Once the reported case is verified to be true, or if there is any retaliatory action against the whistleblower, the Company will pursue legal responsibilities of the relevant personnel according to the law in order to maintain a sound business order and corporate environment.

Reporting Channels of Kelun-Biotech

Reporting Hotline: 028–82053800

Reporting Email: btswshenji@kelun.com

Violation Reporting Management Process of Kelun-Biotech

To continuously strengthen employees' awareness of integrity, the Company conducted anti-corruption training for all staff members, covering anti-corruption principles, regulations, reward and punishment mechanisms, and reporting channels. This training encompasses all regular employees, dispatched workers, and interns, achieving a 100% employee coverage rate. For members of the Board of Directors, the Company organizes specialized training sessions that also include content related to anti-corruption. In addition, the Company requires all employees to sign the Compliance/Integrity Commitment Letter, achieving a 100% signing rate. Meanwhile, the labor contract also includes a supplementary agreement with anti-commercial bribery clauses, further strengthening anti-corruption constraints on employees, achieving a signing rate of 100%.

During the Reporting Period, the Company did not encounter any corruption lawsuits related to the issuer or employees.

Intellectual Property Protection

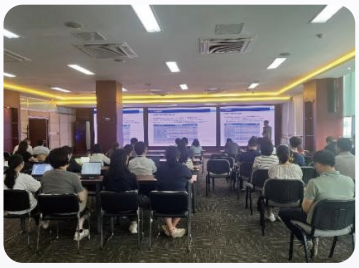
Intellectual property protection is the lifeline of innovation. Kelun-Biotech strictly adheres to laws and regulations including the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China. It has formulated the Intellectual Property Management Regulations and revised them in 2025 to strengthen requirements related to patent applications and confidentiality obligations. The Company has established an Intellectual Property Committee to continuously improve its intellectual property protection system. In 2025, the Company successfully passed the renewal and supervisory audit for the Enterprise Intellectual Property Compliance Management System Requirements (GB/T29490–2023) and obtained the certification.

Intellectual Property Protection Management Measures of Kelun-Biotech

Application for Intellectual Proper	• Determine overseas and domestic patent layout strategies to establish a tight patent portfolio • Achieve three-dimensional protection of intellectual property rights from aspects such as patents, trademarks and trade secrets
Intellectual Property Maintenance	• Establish a monitoring mechanism for information such as patents and trademarks • Regularly monitor the progress, deadlines and status of applications to ensure the normal operation of intellectual property rights throughout its full life cycle
Intellectual Property Risk Management	• Standardize the free implementation process of innovative projects, and investigate internal and external patent risks before project initiation and at critical R&D milestones • Establish a third-party infringement response mechanism and improve the prevention and response measures for infringement and being infringed • Require all employees to sign the Commercial Secrets Confidentiality Agreement
Construction of Talent Team	• Set up an intellectual property department and allocate professional intellectual property personnel • Keep up with domestic and international intellectual property developments and trends, and regularly conduct intellectual property business training

Case: Certificate of Intellectual Property Compliance Management System Certification of Kelun-Biotech

Case: Conducting multi-level intellectual property training

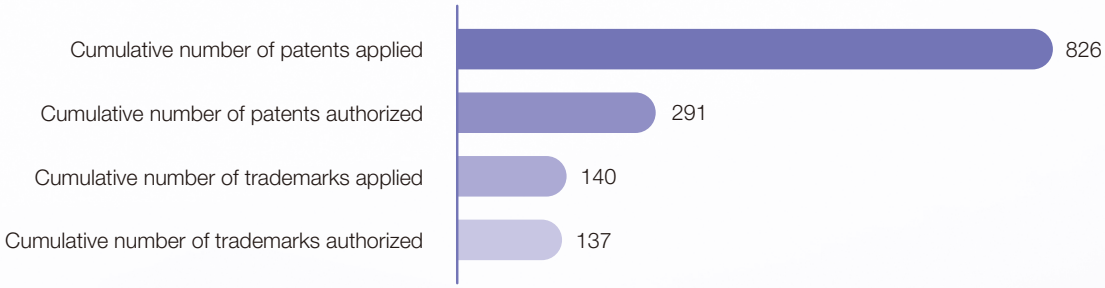


In 2025, to enhance the professional competence of all employees in intellectual property, the Company established a tiered and categorized training system. For new employees, we conducted foundational training through the E-learning online platform to strengthen their awareness of intellectual property protection and infringement prevention, explaining core processes such as patent search and evaluation, and new patent applications. For over 50 employees in departments such as clinical and translational medicine, we delivered specialized training on drug indication patents using an “offline + online live streaming” model, interpreting key aspects such as layout, application types, and timing through case studies to deepen their understanding of professional protection. Additionally, we improved employees' confidentiality awareness through two companywide confidentiality training sessions and conducted 11 specialized training sessions for the internal intellectual property team to comprehensively support intellectual property operations.

To foster a proactive and innovative environment, the Company has implemented reasonable and effective intellectual property incentive measures to stimulate employees’ enthusiasm for innovation, and offered rewards to patent inventors. The number of patent and trademark applications and authorizations by the Company continued to grow, and there were no lawsuits related to intellectual property during the Reporting Period.

The Company's efforts in intellectual property protection have also gained external recognition, successfully securing approval to undertake the 2025 Sichuan Provincial construction project for the "High-Value Patent Cultivation Center for Antitumor Drugs" and receiving dedicated funding support for intellectual property.

Intellectual Property-related Performance of Kelun-Biotech in 2025



1.2. Risk Management

Kelun-Biotech has formulated the Risk Management Measures in accordance with the Company Law of the People's Republic of China, the Basic Norms for Internal Control of Enterprise, and other laws and regulations, establishing and improving the risk prevention and control system, and effectively enhancing the Company's risk response capabilities.

Organizational Structure and Responsibilities of Risk Management of Kelun-Biotech

Board of Directors	Highest decision-making body ○ Review and approve goals, strategies, systems and system construction plans ○ Review and approve annual work plan and report ○ Review and approve major risk response plans, etc.
Risk Prevention and Control Leadership Group	Leadership ○ Formulate risk management objectives and strategies ○ Review the system, process and system-building program ○ Review annual work plans and major risk response plans, etc.
Internal Audit Department	Management, executing body ○ Draft systems and processes, work plans, annual work reports, and major risk management solutions ○ Conduct oversight, inspection and effectiveness assessment ○ Organize educational training and publicity work, etc.
Various Business Departments	Risk management lead department ○ Conduct daily maintenance and management ○ Identify, assess, and develop risk control solutions for business operations ○ Carry out special risk prevention and control work, and study the major risk management mechanisms of this department, etc.

Three Lines of Defence of Risk Management of Kelun-Biotech

First Line of Defence		
Risk Responsibility Departments	Each Business Unit Identify and control risks in business operations	1
Second Line of Defence		
Risk Management Departments	Legal Department, Compliance Department and Finance Department Portfolio management of risks for business units	2
Third Line of Defence		
Risk Supervision Department	Internal Audit Department Conduct independent supervision and inspection, reporting directly to the Audit Committee	3

For both normalized risks and potential emergent risks faced in the Company's operations, we have clearly defined assessment, response, and resolution procedures in our Risk Management Measures to ensure normal operation of the Company's business.

Risk Prevention and Response of Kelun-Biotech

Risk Assessment	Risk Response	Emergency Risk Handling
○ The responsible entity identifies, analyzes, and evaluates risks in the Company's important business management and processes ○ Use qualitative and quantitative standards to assess the likelihood and impact of risks ○ When assessing multiple risks, prioritize them to determine the risks that require key attention and limited control	○ Develop and implement risk resolution solutions based on assessment results, keeping risks within the Company's acceptable range ○ For major risks, in addition to taking corresponding measures to control, avoid, and resolve them, a record form must also be filled out and submitted to the risk prevention and control leadership group and the internal audit department	○ Establish a sensitive and efficient emergency risk response mechanism, and report immediately to the corresponding level of responsible person when a risk occurs ○ For major emergency risks, a risk handling team should be established immediately, develop a risk handling plan and carry out handling actions immediately ○ After the disposal is completed, promptly form a summary report and propose rectification suggestions to avoid the recurrence of risks

1.3. Information Security and Privacy Protection

Kelun-Biotech attaches great importance to information security and privacy protection of clinical trial participants, strictly complying with the Cybersecurity Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and the Data Security Law of the People's Republic of China. We have formulated policies such as the Computer Security Usage Manual, Information System Account Management Measures, and Security Incident Response Management Plan.

In terms of information system security assurance, the Company formulates and implements comprehensive information security management regulations, and establishes a multi-dimensional defense mechanism of "perimeter protection – access control – data encryption", encompassing core security protection, cyber security and cloud security. In 2025, to comprehensively enhance the Company's cyber security defense system, we established an integrated proactive security framework encompassing "monitoring-protection-response": By deploying an internal network comprehensive situation awareness platform, we enable real-time monitoring of network-wide traffic and threats, enhancing risk early warning and traceability capabilities; we ensure the security and stability of operations. Additionally, we regularly conduct security emergency response and recovery drills, penetration testing, and closed-loop vulnerability management activities to improve the stability and responsiveness of information systems.

To raise employees' awareness of information security protection, we provided information security training covering all staff, addressing daily security operation protocols, analysis of security risk points, and core principles of information protection. Furthermore, we organized phishing email simulations to enhance employees' ability to respond to cyber fraud.

In terms of privacy protection of clinical trial participants, the Company strictly complies with the regulations of the Good Clinical Practice (GCP), the Declaration of Helsinki and the Personal Information Protection Law of the People's Republic of China, and has formulated the Personal Information and Privacy Protection policy for clinical trial participants. Strict personal information protection measures are implemented throughout the entire process of conducting clinical trial projects to ensure that privacy of clinical trial participants is not leaked. In the future, we plan to invite third-party lawyers to conduct training on the protection of personal privacy information and the export of clinical trial data for the Company's clinical trial personnel, continuously enhancing their awareness of personal information protection.

Protection Measures for Personal Information and Privacy of Clinical Trial Participants at Kelun-Biotech

Data collection stage	Informed consent: Obtain the participants' full informed consent before collecting any data; the participant has the right to refuse to participate in the trial or withdraw informed consent; Principle of minimization: Strictly adhere to the "principle of minimization", which means collecting only information directly related to the purpose of the clinical trial; Anonymous processing: Anonymize the collected data by using screening numbers instead of the real names of the participants.
Data storage stage	Secure storage: Use a professional and secure database system to store participant data; strictly limit data access permissions.
Data transmission stage	Data transmission: During the data transmission phase, encryption technologies, anonymization/de-identification processes, access control and secure transmission protocols are used to ensure the confidentiality, integrity and compliance of participant information.
Personnel management aspect	Privacy protection training: Conduct training on privacy protection for participants for personnel involved in clinical trials.

During the Reporting Period, the Company did not experience any violations related to information security or data breaches, nor were there any verified complaints of privacy infringement against participants.

2. COMMITTED TO EXCELLENCE, DEDICATED TO THE WELL-BEING OF PEOPLE

2.1. R&D Innovation

As one of the pioneers and leading developers of ADCs, Kelun-Biotech consistently regards the research and development of innovative drugs and the enhancement of human health as its corporate mission. The Company has established a comprehensive research and development innovation system, possessing three independently developed technology platforms, including the ADC and novel DC platform OptiDC™, the biologics platform and the small molecule platform.

According to Frost & Sullivan, we are one of the first biopharmaceutical companies in China, and one of the few globally, to establish a developed integrated ADC and novel DC platform. Our ADC and novel DC platform, OptiDC™, is supported by three capability pillars: in-depth knowledge of biological targets and diseases, tested and validated DC design and development know-how, and a toolbox of core DC components. With a developed toolbox of core DC components, the Company has the versatility to engineer customized ADCs and novel DCs optimized for different biological targets to address medical needs in a broad range of indications. Our biologics platform enables the creation and refinement of cutting-edge mAb/bsAb medicines across the entire drug development lifecycle – from target biology to clinical-grade biologics. By integrating advanced technologies and workflows, including single B cell screening, next-generation sequencing, and high-throughput screening and analysis, the platform accelerates the generation of innovative antibodies with desired properties. Our small molecule platform is driven by the integration of medicinal chemistry, CADD (computer-aided drug design) and AIDD technologies, such as molecular docking, pharmacophore modeling, FEP (free energy perturbation) calculations, ADMET (absorption, distribution, metabolism, elimination and toxicity) prediction, and de novo molecule generation.

The Company has established a diversified research and development pipeline centered on oncology while also addressing non-oncological diseases, encompassing multiple cutting-edge technology areas such as ADCs, monoclonal antibodies, and small molecule drugs. The Company's research and development pipeline targets the world's most common or hardest-to-treat tumors, such as breast cancer (BC), non-small cell lung cancer (NSCLC), gastrointestinal cancers (GI), gynecological tumors, and genitourinary (GU) cancers as well as non-tumor diseases and conditions affecting a large and underserved patient population. By the end of 2025, we had over 30 drug candidates in development, of which 4 had been approved for marketing, 1 was in the NDA stage, and more than 10 were in the clinical stage.

Additionally, as of the end of the Reporting Period, among the four innovative drugs from Kelun-Biotech that have been approved for marketing and successfully commercialized, three were included for the first time in the 2025 edition of the National Reimbursement Drug List (NRDL), as detailed below:

- Sac-TMT (Sacituzumab Tirumotecan for Injection) (Trade Name: 佳泰莱®): A TROP2-targeted ADC drug, initially approved in November 2024 for locally advanced/metastatic triple-negative breast cancer; in March and October 2025, additional indications were approved for 2L and 3L EGFR mutation-positive non-squamous non-small cell lung cancer, of which the indications for locally advanced/metastatic triple-negative breast cancer and for 3L EGFR mutation-positive non-squamous non-small cell lung cancer have been included in the NRDL.

- Tagrisimab Injection (Trade Name: 科泰莱®): An innovative PD-L1 inhibitor, approved in December 2024 for recurrent/metastatic nasopharyngeal carcinoma; in January 2025, an additional indication was approved for first-line treatment of nasopharyngeal carcinoma in combination with chemotherapy, both of which have been included in the NRDL.

- Cetuximab N01 Injection (Trade Name: 达泰莱®): An EGFR monoclonal antibody biologic, approved in February 2025 for the indication – RAS wild-type metastatic colorectal cancer, which has been included in the NRDL.

- Trastuzumab Botidotin for Injection (Trade Name: 舒泰莱®): A HER2-targeted ADC drug, approved in October 2025 for unresectable/metastatic HER2-positive adult breast cancer previously treated with at least one anti-HER2 therapy, marking it as the first domestically produced HER2 ADC drug in China to broadly cover second-line and beyond indications for this condition.

The Company's strong R&D innovation capability is inseparable from a high-level R&D team and continuously increasing R&D investment. By the end of 2025, the Company has 925 R&D members (full-time employees). In 2025, the Company's R&D investment reached RMB1,319.67 million, accounting for 64.12% of the operating income.

2.2. Quality Responsibility

Kelun-Biotech focuses on the research, development, production, and commercialization of innovative drugs, prioritizing product quality and patient safety as its foremost operational principles. Adhering to its established quality policy, the Company collaborates with partners to forge a supply chain quality responsibility community, implementing stringent quality control across all stages to deliver safe and effective innovative drugs and fulfill its commitment to safeguarding life and health.

Product Quality Management

Quality Management System

The Company has established a comprehensive product lifecycle quality management system covering all stages of research and development, production, and commercialization, strictly adhering to a series of pharmaceutical quality management and compliance regulations (GxP) in China, the EU, and the US, as well as guidelines from the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH). In 2025, the Company continued to advance the optimization of management system documents and further refine the quality management systems for research and development, clinical studies, and production.

The Company places quality assurance at the core of its operations. In 2025, we successfully passed seven external audits/inspections, including licensing inspection and GMP inspection for products entrusted for manufacturing (including split manufacturing) in China, post-marketing drug supervision inspection, audits by the EU Qualified Person (EU QP) and MNC customer audit. All commercial-scale production facilities of the Company in operation have 100% passed the compliance inspection of the GMP in China. Additionally, we conducted comprehensive self-inspections of quality systems, with no critical deficiencies identified, and all related issues have been fully rectified as planned.

In terms of setting and managing quality objectives, we have established a multi-level quality objective performance management system for the Company, departments, workshops, and employees, further strengthening the assessment standards compared to the year 2024. For example, the Company has raised its target requirements for the timely closure rate of quality incidents and the timely completion rate of corrective actions from 90% to 92%. Meanwhile, the Company has incorporated quality objectives' veto and deduction items into the performance assessment criteria for all employees to continuously enhance the awareness of quality among all staff, ensuring that product quality consistently remains at a high standard level.

Product Quality Control

The Company adheres to the philosophy of "rooted in stringent control of drug quality and grounded in ensuring the safety and efficacy of pharmaceuticals", implementing rigorous quality control measures at every stage of product research, development, and production.

During the product development stage, the Company formulates the target product quality profile (QTPP) based on the principle of "Quality by Design", clearly defining the expected product quality attributes. Subsequently, we determine the criticality of quality attributes based on data assessment from pharmaceutical, nonclinical and clinical studies, and use risk control tools to identify material attributes (CMA) and process parameters affecting critical product quality attributes (CQA). The product quality control strategy is gradually determined and implemented through process study, characterization and validation, and the control strategy is continuously optimized and updated as the study process progresses to ensure product quality.

Case: The Company's laboratory has been accredited by the China National Accreditation Service for Conformity Assessment (CNAS)

In the product manufacturing process, the Company implements comprehensive quality control and management. Relying on the comprehensive and technologically advanced quality control laboratory, the Company carries out the release testing of raw materials, intermediate products and products, in-process control, validation, stability studies, and monitoring related to utility systems and environment to ensure the safety and quality control of released products at all stages. For critical testing instruments, the company adopts a one-in-use, one-in-reserve configuration to ensure the continuous and stable conduct of inspection work. The Company' s laboratory has been accredited by the China National Accreditation Service for Conformity Assessment (CNAS) (Registration number: CNAS L25062).

中国合格评定国家认可委员会
实验室认可证书
（注册号：CNAS L25062）

China National Accreditation Service for Conformity Assessment
LABORATORY ACCREDITATION CERTIFICATE
(Registration No. CNAS L25062)

During the Reporting Period, we continued to strengthen quality management measures from multiple dimensions. We established a data reliability system across the entire R&D lifecycle and enhanced oversight through CRO audits and inspections. Simultaneously, we continuously optimized production system documentation and key processes, improved the linkage mechanism between complaint handling and pharmacovigilance, and conducted tiered self-inspections and regulatory benchmarking. Additionally, we assisted contracted parties in elevating compliance standards, implemented differentiated supervision mechanisms, and carried out audits and risk assessments based on product stages, achieving a dual enhancement in risk prevention and regulatory capabilities.

Quality Training and Culture Promotion

In order to effectively enhance the quality awareness and professional capabilities of all employees, the Company systematically conducted induction training on corporate culture, GxP regulations, post documents, and practical skills for new employees in research and development, production, quality, and other related positions. Meanwhile, the Company strictly adheres to regulatory requirements, formulates special training plans annually, organizes training around core themes such as regulatory regulations, new guidance documents, and job skills, and conducts assessments through written evaluations and oral questions and answers to ensure the effective implementation of training content.

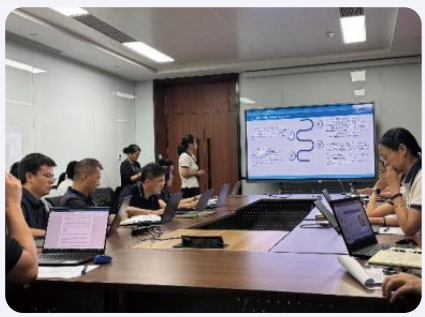
In 2025, the Company conducted 2,684 GMP training sessions of various types throughout the year, achieving a 100% employee training coverage rate. At the company level, we organized 10 GMP training sessions. Additionally, we organized 27 department-level annual quality training sessions and 14 new employee onboarding quality training sessions, effectively enhancing employees' quality awareness and capabilities.

Case: Launching the "Quality Compliance Season" themed campaign

From June to August 2025, the Company launched a company-wide Quality Compliance Season campaign themed "Strengthening the Foundation of Data Integrity, Pioneering New Chapters in Security and Quality Management". The activities encompass quality culture promotion, specialized training, regulatory knowledge competitions and assessments, compliance self-audits, quality improvement initiatives, and information system development. Through a series of activities, we comprehensively strengthened quality awareness among all employees and promoted the implementation of quality management initiatives.

Case: Establishing a quality control (QC) activity group to implement quality improvement measures

The Company encourages employees to proactively identify quality issues and propose improvement measures. As of the end of 2025, the Company had registered a total of 83 QC projects, of which 43 had been completed. Employees identify quality improvement points through brainstorming, process sorting, and data analysis, and implement quality improvement measures through inter-batch variability investigation, experimental exploration, and system integration, continuously enhancing product quality.



Clinical Quality Management

As a clinical trial sponsor, the Company is firmly committed to safeguarding the rights, safety and wellbeing of clinical trial participants in a bid to ensure compliance with the ethical principles of the Declaration of Helsinki and reliability of clinical trial data and results. The Company strictly adheres to the Drug Administration Law of the People's Republic of China, the Regulations for Implementation of the Drug Administration Law of the People's Republic of China, the Provisions for Drug Registration, the Good Clinical Practice for Drug Clinical Trials, the ICH E6 Good Clinical Practice – Technical Guideline, the Declaration of Helsinki and other laws and regulations. A risk-based clinical trial quality management system commensurate with the risks of clinical trials has been established, and written standard operating procedures covering key processes from clinical trial planning to reporting have been developed. During the Reporting Period, we continued to optimize processes, revise system documents and enhance operational feasibility across multiple areas including clinical operations, medical writing, quality assurance and quality control, data management, biostatistics and pharmacovigilance, in a bid to avoid unnecessary complexity, procedures, and data collection and further support the execution of international projects.

The Company conducts clinical quality management in the form of a "project management system", equipping each clinical trial project with a project management team. During the Reporting Period, with a focus on improving quality and efficiency, we continuously optimized our quality assurance system by emphasizing key areas such as reducing third-party audit costs, conducting training on issues identified in project audits, optimising deviation management, and continuously cultivating a quality culture. For example, we actively promoted internalization of audits for clinical trial projects to effectively reduce the frequency and costs associated with third-party audits, regularly conducted specialized training on audit-identified issues, and strengthened timely deviation reporting and conducted in-depth root cause analysis to ensure the adequacy and effectiveness of corrective measures, achieving a 100% completion rate for deviation rectifications.

The Company purchases Drug Clinical Trial Insurance for each clinical trial participant, fully ensuring the rights, safety and well-being of the participants. During the Reporting Period, we revised the Clinical Trial Liability Insurance Management Procedures, optimized the processes for insurance application and policy issuance, and further improved claims settlement efficiency.

To continuously cultivate a quality culture and enhance the quality awareness and capabilities of all staff involved in clinical research, during the Reporting Period, focusing on themes such as the safety, rights, and well-being of trial participants and data security and reliability, we organized four specialized regulatory training sessions, reaching over 500 participants with a pass rate of 99.6% in assessments, further consolidating and enhancing the quality awareness and capabilities of all staff involved in clinical research.

Animal Welfare

Laboratory animals provide indispensable support for pharmaceutical research and development and life sciences research. The Company places great emphasis on societal concerns regarding animal welfare, strictly complies with the requirements of laws and regulations such as the Guide for the Care and Use of Laboratory Animals, and has formulated and strictly implemented operational procedures such as Procedures for Establishing Humane Endpoints for Laboratory Animals and Accuracy Control of Drug Administration in Animals. In 2025, we introduced the "Operational Procedures for Inspection and Supervision of Laboratory Animals" and revised the "Regulations on Space and Holding Capacity of Laboratory Animal Cages" and "Procedures for Anesthesia and Analgesia of Animals" to ensure ethical compliance in animal use. The Company has also established the Institutional Animal Care and Use Committee (IACUC) to independently review and supervise the trial protocol, the use of animals and the operations of facilities, and commit to conducting animal experiments responsibly.

[1]In the practice of scientific research, the Company adheres to the 3R principles, implementing laboratory animal welfare throughout all stages including breeding, transportation, experimental design, experimental process and post-experiment disposal. The Company has established a fully functional laboratory animal management system, which includes two major functional modules: "Ethical Review" and "Animal Welfare Ethical Inspection", achieving traceability and oversight throughout the whole process. In 2025, the Company completed a total of 65 reviews of use plans and 2 reviews of animal facilities. Meanwhile, we actively took measures to improve animal welfare from multiple aspects: revising anesthesia-related operating procedures by adding analgesic content and refining anesthesia protocols; adopting mandibular vein blood collection instead of post-anesthesia orbital blood collection to reduce pain during animal blood sampling; enhancing the animal housing environment with toys and treats to improve their physiological well-being; and rationally allocating existing animal inventory to minimize additional procurement and reduce the overall use of laboratory animals.

The Company also conducted training for employees involved in animal experiments to ensure each study is efficient and accurate, minimizing animal discomfort. In 2025, we conducted four animal welfare training sessions focusing on anesthesia and analgesia, ethical review, and inspection supervision, reaching over 30 participants. These sessions strengthened laboratory personnel's awareness and practical skills in animal welfare, reinforcing ethical compliance safeguards for laboratory animals.

Pharmacovigilance

The Company places great importance on drug safety and strictly adheres to laws and regulations such as the Drug Administration Law of the People's Republic of China, the Measures for the Administration of Reporting and Monitoring Adverse Drug Reactions, and the Good Pharmacovigilance Practices in its operations. In 2025, the Company revised its pharmacovigilance system master file and introduced or updated multiple pharmacovigilance-related management systems, including the "Operational Procedures for Drug Safety Signal Detection and Evaluation". These efforts continuously strengthened the pharmacovigilance system, enabling full life-cycle drug safety management throughout the product lifecycle.

1 The 3R principles of animal experimentation refer to Replacement, using other methods to replace animal experiments; Reduction, reducing the number of animals used in each experiment; and Refinement, improving conditions, treating animals well and enhancing animal welfare.

Pharmacovigilance Management Measures of Kelun-Biotech

Clinical Phase

- Formulate differentiated signal detection frequencies, conduct regular signal detection, signal validation and assessment on the Company's active products under research, and formulate risk control measures to ensure the safety of participants;
- Collect safety events in the clinical trial protocol. If they meet the criteria for SAE, appropriate treatment measures will be taken for the patient;
- Establish a systematic pre-marketing pharmacovigilance system for the collection, processing and submission of individual case reports, and conduct pharmacovigilance training and assessment for relevant personnel;
- The pharmacovigilance entrustment agreement establishes clear QC and oversight for the client's pharmacovigilance activities;
- Establish quality targets for key pre-marketing pharmacovigilance activities and conduct monthly statistics on the quality attainment rate.

Post-marketing Phase

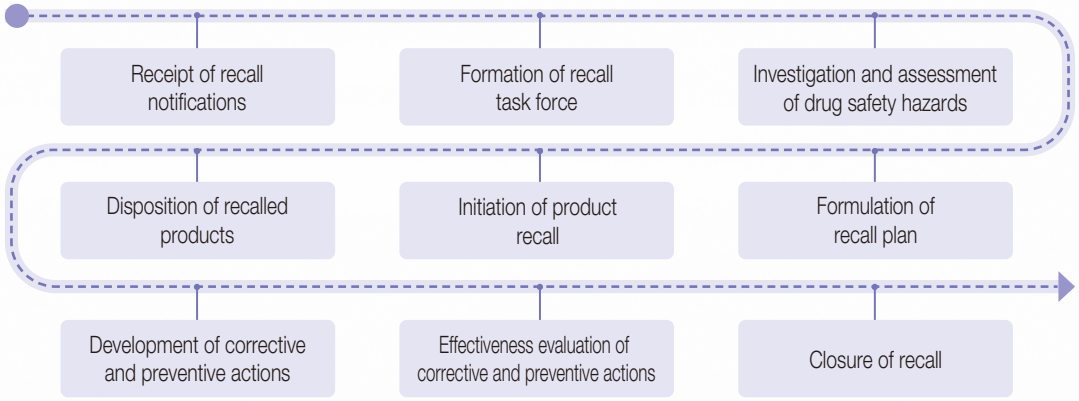
- Set up public email, 400 hotline, official website and other feedback channels to receive information on patients' adverse reactions after medication usage;
- Introduce the professional post-marketing pharmacovigilance database eSafety system;
- Establish quality targets for key post-marketing pharmacovigilance activities and conduct monthly statistics on the quality attainment rate.

During the Reporting Period, we conducted 24 signal detections for pre-marketing product candidates, performed 3 safety signal analyses and 89 cluster signal analyses for Sacituzumab Tirumotecan for Injection, and have not identified any new safety signals or significant batch or regional clustering. Additionally, we have established specific risk minimization measures for Trastuzumab Botidotin for Injection. We have developed separate documents – a Letter to Healthcare Providers and Patient Safety Medication Reminders – for medical professionals and patients, respectively, aiming to reduce the occurrence of serious ocular damage by enhancing risk awareness among both healthcare providers and patients.

Product Recall

The Company has established the Product Recall Management Process, stipulating the conditions for product recall, the handling process of product recall and the methods of product recall disposal, so as to facilitate thorough investigation, comprehensive assessment and timely recall of pharmaceuticals that may have quality issues or other safety hazards. The Company conducts annual periodic simulated recall exercises, proving the effectiveness of the recall management process. In 2025, the simulated recall process showed no abnormalities.

Product Recall Management Process of Kelun-Biotech

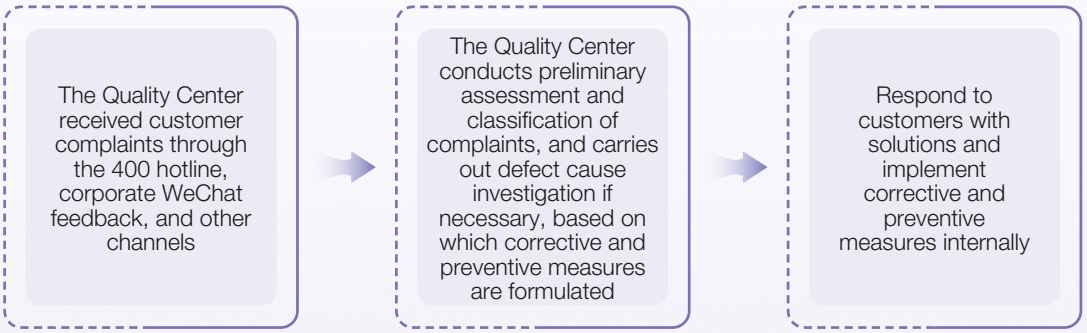


During the Reporting Period, the Company did not have any product recalls due to safety and health reasons.

Handling of Customer Complaints

The Company attaches great importance to customer feedback. It has formulated management systems such as the Customer Complaint Handling Procedures, and established a comprehensive customer complaint handling process to ensure timely and effective feedback on customer opinions. In 2025, we established the new Non-Quality-Related Returns Management System to further standardize the process for handling returns not attributable to quality issues.

Customer Complaint Handling Process of Kelun-Biotech



During the Reporting Period, the Company received a total of 3 complaints regarding its products and services, with a complaint resolution rate of 100%.

2.3. Supply Chain Management

A responsible, efficient and green supply chain is crucial for enterprise development. Kelun-Biotech continues to improve its supply chain management system, strengthens communication and interaction with suppliers and partners, and strives to build an efficient and sustainable supply chain, aiming to achieve mutual benefit and win-win with partners.

The types of commodities procured by the Company primarily include: raw materials and consumables for drug development and production, equipment and devices serving production activities, and CRO services providing third-party contracting for research and development. As of the end of the Reporting Period, the Company had a total of 1,195 suppliers, distributed in the following regions:

Number of suppliers in 2025

Supplier Quality Management

The Company has established regulations such as Procurement Management Procedures, Supplier Management Procedures, Material Supplier Management System, and Clinical Outsourcing Management Procedures, which clearly stipulate the supplier selection process and supplier conduct standards. Leveraging control measures such as qualification verification, audit supervision, and performance evaluation, we achieve dynamic management throughout the supplier lifecycle, ensuring that the quality of their supplied goods complies with relevant regulations and meets our business requirements.

To optimize supply assurance and deepen supplier communication, the Company has established an objective, quantitative and scientific supplier assessment mechanism, conducting regular and ad-hoc assessments and evaluations of suppliers. Each year, the Company conducts performance scoring of major material suppliers, which account for approximately 80% of the total purchase amount, in terms of quality, price, delivery capability, service capability, and compliance. Based on the scoring results, a Supplier Performance Evaluation and Feedback report is issued, requiring suppliers to make targeted improvements and continuously track the progress of these improvements. In 2025, the Company conducted assessments on 161 major material suppliers, with excellence and good rates reaching 97.5%. For clinical suppliers, we conduct evaluations through questionnaires across multiple dimensions including service quality, service efficiency, cost control, financial management, and compliance and operational risks. In 2025, a total of 166 suppliers were evaluated.

The Company annually engages in communication with suppliers and provides training to help improve the quality level of suppliers. In 2025, on the material supplier side, the Company organized multiple supplier quality improvement meetings centered on themes such as vials, infusion and storage bags, culture media, and deep filtration technologies. We also held numerous comprehensive technical training sessions to deepen consensus in key areas and drive product and technological advancements. On the CRO side, we organized communication meetings with key suppliers on a daily, quarterly, semi-annual, and annual basis according to the type of collaboration, aiming to jointly enhance supply quality.

Supplier Compliance Management

The Company requires employees to adhere to the Purchasing Code of Conduct and the Anti-Corruption System when conducting purchasing activities, and to complete and sign the Employee Confirmation at least once a year to ensure that there are no violations of commercial ethics during the procurement process.

For suppliers, the Company requires them to sign the Sunshine Agreement, strictly complying with all anti-corruption and anti-commercial bribery laws and regulations, declaring that no bribery or other illegal activities shall occur during the cooperation process. In 2025, all suppliers conducting business with the Company signed the Sunshine Agreement.

The Company has continuously strengthened supplier compliance management and conducted compliance reviews for suppliers in different segments:

- **Clinical segment:** Send the Compliance Questionnaire to various suppliers in the clinical segment, requiring them to conduct self-inspections for any illegal or non-compliant behavior in their cooperation with Kelun-Biotech. In 2025, the Company sent letters to 116 suppliers and received 111 responses, and no violations of compliance requirements were identified after review. Additionally, the Company conducted inquiries and verifications of suppliers' creditworthiness and compliance status through channels such as Credit China and the China Sanctions List.

- **Non-clinical segment:** During the annual assessment of suppliers and the admission stage for new suppliers, suppliers are required to fill out the Survey Questionnaire for Supplier Compliance to understand the compliance management situation of suppliers. The questionnaire content includes the establishment of the supplier compliance department, formulation of anti-corruption and anti-bribery, confidentiality, whistleblowing policies, information security, environmental protection, labor and human rights, corporate social responsibility, etc., which can effectively assess the Company's compliance risk management capabilities. In 2025, we distributed 190 copies of the Supplier Compliance Survey Questionnaire and received 165 responses.

Sustainable Supply Chain

'The Company focuses on building a sustainable supply chain and has formulated and published its Supplier Code of Conduct on its official website, which sets strict requirements for suppliers' performance in areas such as environment, society, and business ethics. When registering suppliers, the Company investigates whether the suppliers have passed the ISO 14001 environmental management system certification, ISO 45001 occupational health and safety management system certification, or other relevant certifications. We encourage and expect suppliers to establish and improve their internal management systems to enhance the sustainability level of the supply chain.

Additionally, in supplier evaluations, the compliance dimension incorporates qualitative assessments of ESG-related factors such as business ethics and social responsibility, with a one-vote veto system implemented. If a supplier is found to have violated laws or regulations concerning business ethics, anti-corruption, or other relevant areas, we will directly disqualify them from supplying.

Number of suppliers of Kelun-Biotech in 2025 that have obtained environmental and social related certifications

During the Reporting Period, we also implemented multiple measures to enhance supply chain stability:

- **Domestic substitution:** Promote the domestic substitution of biological reagents such as antibody reagents and detection kits, as well as key production consumables including infusion and storage bags and filtration products.

- **Multi-origin sourcing:** Expand the supply channels for critical imported materials such as culture media and membrane modules from a single origin to a global multi-origin layout.

- **Optimize international logistics and warehousing nodes:** Leveraging the joint cold storage facilities at Chengdu's dual airports, we provide efficient inspection and transit services for cold-chain materials, effectively alleviating customs clearance pressures.

In the aspect of green logistics, we have replaced traditional transportation methods with 2 new energy electric vehicles for the delivery of various materials within the factory premises, achieving 100% transportation coverage within the site, reducing greenhouse gas emissions, and promoting the Company's green operations.

2.4. Responsible Marketing

Kelun-Biotech strictly adheres to responsible marketing principles when conducting marketing activities, promoting and advertising company products in a manner that complies with business ethics and regulatory requirements, and resolutely eliminates any form of false advertising.

The Company follows the laws and regulations such as the Advertising Law of the People's Republic of China, the Property Law of the People's Republic of China, and the Consumer Protection Law of the People's Republic of China. During the Reporting Period, we revised the Market Promotion Management Process and renamed it the Academic Activity Management Process, comprehensively standardizing promotional and non-promotional activities in terms of planning, execution, and promotional materials. Additionally, we have formulated and published the Responsible Marketing Policy on our official website, which centers on compliance and integrity, incorporates sustainable principles into all marketing stages by safeguarding the rights of stakeholders and strengthening governance and oversight throughout the entire process, thereby establishing a responsible marketing management system.

The Company explicitly requires that promotional materials be applicable only to products with approved indications or post-marketing products, and the information contained must be clear, accurate, fair, objective and verified. The statements regarding product safety must adhere to the principles of fairness and balance and reflect the relevant evidence. If the material content involves clinical information, it is necessary to provide the minimum information regarding clinical research.

In terms of responsible marketing audits, our Responsible Marketing Policy details the responsible departments, audit scope, and content for responsible marketing audits. In 2025, we conducted audits of academic promotion activities, covering all stages and materials of these activities to ensure compliance with regulations. Additionally, we conducted on-site inspections of selected distributors and pharmacies to confirm that drug storage met quality standards and complied with responsible marketing requirements.

The Company regularly conducts training for all marketing employees, covering medical knowledge, product knowledge, processes and regulations, clearly conveying the Company's policies and management requirements regarding responsible marketing to employees. In 2025, all marketing staff of the Company have received responsible marketing training.

3. DEDICATED TO CONTRIBUTION AND PROMOTING OUR ENTERPRISE VALUE

3.1. Win-win Industry Cooperation

Kelun-Biotech adheres to the concept of collaborative industry development, establishes an innovative cooperation platform, builds a technological development collaboration mechanism, and contributes to the advancement of the pharmaceutical industry. Meanwhile, we actively participate in academic exchanges, promoting technological innovation in the industry to continuously create health value for patients.

Establishment of Innovation Platform

In response to the government's innovation strategy, the Company, leveraging its advantages in innovative drug R&D, has taken the lead in establishing the National Engineering Research Center of Targeted Biologics. We have established this center in collaboration with the Shanghai Institute of Materia Medica of the Chinese Academy of Sciences, China Pharmaceutical University, The First Affiliated Hospital of Zhejiang University, Tongji Medical College of Huazhong University of Science & Technology, Second Xiangya Hospital of Central South University, Kelun Pharmaceutical, and the National Industrial Innovation Center of Precision Medicine to advance industrial innovation. The National Engineering Research Center of Targeted Biologics received approval from the National Development and Reform Commission in 2022. The center has been operating stably as of the end of the Reporting Period.

Strengthening Strategic Cooperation

The Company actively establishes a mutually beneficial strategic cooperation system with enterprises at all upstream and downstream stages, conducting in-depth cooperation in areas such as technology research and development, market access and product launch, to accelerate resource integration and industrial innovation.

We have deepened our strategic cooperation with Merck & Co., Inc., forging a collaborative ecosystem of "China-originated R&D + global commercialization". Leveraging our self-developed Sacituzumab Tirumotecan (佳泰莱®), we conducted a Phase III clinical trial in combination with Merck's pembrolizumab (可瑞达®) for first-line lung cancer treatment, achieving positive results. This represents the world's first successful case of an ADC (Antibody-Drug Conjugate) combined with immunotherapy, breaking through traditional treatment paradigms.

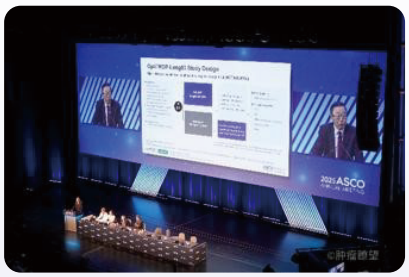
We have also made our first foray into international collaboration in the autoimmune field, partnering with Harbour BioMed and Windward Bio to develop an anti-TSLP monoclonal antibody using an innovative NewCo model. The drug is advancing efficiently through clinical trials, conducted simultaneously in China and abroad, showcasing differentiated advantages and best-in-class potential. This collaboration sets a benchmark for the internationalization of China-originated autoimmune drugs, providing a replicable model for the industry.

In terms of university-industry collaborative research, we teamed up with the Affiliated Hospital of Southwest Medical University under the "university research + enterprise industrialization" model to develop the RDC drug SKB107. In 2025, it received clinical trial approval and Phase I trials were initiated. Through full-chain collaboration, this drug precisely targets bone metastases in tumors, addressing a critical treatment challenge and establishing a benchmark for hospital-enterprise collaborative innovation.

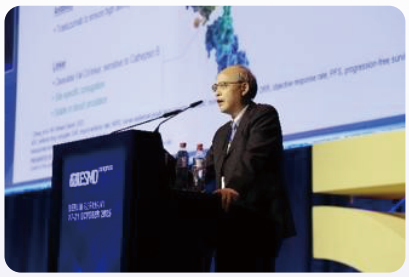
Promoting Industry Innovation

Case:

The Company maintains a good academic exchange mechanism with experts and enterprises both domestically and internationally, actively participates in international top academic conferences such as the American Society of Clinical Oncology (ASCO) and the European Society for Medical Oncology (ESMO), releases multiple latest clinical research results, and has made significant progress in fields such as lung cancer and breast cancer, bringing hope to more cancer patients.



ASCO Report



ESMO Report

Case: China ADC Summit: Pioneering the Future of Breast Cancer ADCs

We also actively organize and participate in domestic industry summits to share the latest research advancements. In November 2025, Kelun-Biotech seized the opportunity of the national launch of Trastuzumab Botidotin to host the “China ADC Summit: Pioneering the Future of Breast Cancer ADCs” This event brought together leading experts in China’ s breast cancer field under the theme “China Innovation, Comprehensive Surpassing”, sharing the research achievements and clinical value of two core ADC drugs.

Case: Launch Event of 佳泰莱® Lung Cancer Indication

We also hosted the launch event of Sacituzumab Tirumotecan (佳泰莱®) lung cancer indication, bringing together over a hundred leading experts in oncology to inject “Chinese wisdom” into the global landscape of lung cancer treatment.

The clinical studies findings of our core products have not only been presented at top-tier international academic conferences but also published as high-quality papers in authoritative international journals such as "The New England Journal of Medicine" and "The BMJ". These contributions continue to provide high-quality evidence-based medical evidence for global oncology clinical practice.

3.2. Facilitating Inclusive Healthcare

Kelun-Biotech regards promoting inclusive healthcare and safeguarding public health interests as an important responsibility, with the Board of Directors as the highest supervisory body for inclusive healthcare. The Company actively collaborates with multiple parties to explore effective ways to enhance product accessibility in order to meet the medical needs of more patients. The Company has formulated and publicly released the Fair Pricing Statement, adhering to the principles of value-oriented, tiered pricing, and fair pricing for drug pricing, continuously enhancing drug accessibility, actively promoting drug access in developing countries and underdeveloped regions, proactively participating in medical assistance and public welfare projects, and contributing to the construction of medical and health systems.

Case: Promoting Access to Inclusive Insurance Products

In 2025, the Company adhered to the concept of inclusive healthcare and made every effort to advance the inclusion of its products in the Inclusive Insurance programs across various provinces and municipalities nationwide. By the end of 2025, the Company's products had been successfully included in over 50 Inclusive Insurance programs, covering 13 provinces/autonomous regions/-municipalities directly under the central government (including Xinjiang Production and Construction Corps) and 36 prefecture-level cities, benefiting more than 650 million people. The Company actively engaged with local relevant departments, efficiently submitted product information, benefit plans, and implementation proposals to expedite the inclusion of its products in the Inclusive Insurance system, providing patients with high-quality and accessible treatment options, effectively reducing residents' medical burdens, and contributing to the enhancement of universal health security.

Case: Actively engaged in patient assistance programs

For its three marketed products (佳泰莱®, 达泰莱®, and 舒泰莱®), the Company has partnered with the Quzhou Medical Health and Community Development Foundation in Zhejiang Province to launch patient care programs. Eligible patients who submit applications can receive charitable drug donations from the company, effectively reducing their medical burden and enhancing their health protection level. For 佳泰莱®, the Company adjusted its free medication program twice in 2025 to expand patient access, demonstrating its commitment to inclusive healthcare.

Orphan drugs, as special medications for the prevention and treatment of rare diseases, hold significant importance. The main product of Kelun-Biotech, RET inhibitor A400, was granted orphan drug designation by FDA in 2023. This drug targets the treatment of RET fusion-positive solid tumors, bringing new hope for rare disease patient groups and meeting the urgent treatment needs of this special patient population.

By the end of 2025, three products – Sacituzumab Tirumotecan for injection, Cetuximab N01 Injection, and Tagolimab injection – were included in the National Reimbursement Drug List. This move filled gaps in basic medical insurance coverage for major diseases such as triple-negative breast cancer and lung cancer, benefiting more cancer patients.

3.3. Participating in Social Co-construction

Kelun-Biotech actively fulfills its corporate social responsibilities, gives full play to its own resources and professional strengths, takes the initiative to serve social development, and supports and contributes to community building. In order to enhance donation transparency, the Company formulated the Management System for External Donation, which clearly stipulates the key donation directions, donation principles, donation methods and management approval procedures.

In terms of rural revitalization, the Company has put into use the Chengdu Federation of Trade Unions Employee Inclusive Platform. The platform features a consumption assistance rural revitalization section, where all products and gift packages originate from the 832 poverty-stricken areas recognized by the state. This initiative not only optimizes and enhances employee benefits but also injects impetus into the industrial development of poverty-stricken areas, effectively promoting consumption-based poverty alleviation and the fight against poverty.

In terms of community philanthropy, the Company actively fulfills its social responsibilities by deeply participating in various social philanthropy projects such as blood donation drives and marathon events, conveying the warmth of the enterprise through practical actions.

Case: Sponsorship of marathon events

In 2025, Kelun-Biotech, in collaboration with the Wenjiang District Culture and Tourism Bureau of Chengdu, sponsored a local marathon event. We invested RMB50,000 in dedicated sponsorship funds, set up service stations along the race route, and provided participants with complimentary refreshments such as mineral water and energy bars, effectively contributing to the development of the city's cultural and sports undertakings and enhancing the brand's public image.

Case: Organizing employees for public welfare blood donation

In 2025, Kelun – Biotech, in partnership with Jinma Subdistrict and the Health Service Center in Wenjiang District, Chengdu, launched a blood donation drive under the theme of "Passing on Hope with Passion, Leading Philanthropy with Innovation". The event received an enthusiastic response from employees, with 86 employees actively participating and a total blood donation volume of 27,900 milliliters, conveying love and care to the community.

4. PEOPLE ORIENTED AND DEDICATED TO PROGRESS WITH OUR EMPLOYEES

4.1. Diversity, Equality and Inclusion

Kelun-Biotech upholds the principles of diversity and inclusivity, fostering a work environment of equality and respect. It respects individual differences among employees and empowers those from diverse backgrounds and with varied industry experiences to unleash their talents and realize their personal value.

Lawful Employment

The Company strictly adheres to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, and all relevant national laws and regulations within its operational scope. It has formulated the Recruitment Management System, the Employee Diversity and Labor System, and the Female Employee Labor Protection Management Regulations to regulate recruitment practices and effectively safeguard employees' legal rights.

In the recruitment process, the Company ensures that candidates are not unfairly treated due to various factors such as race, gender, nationality, religious beliefs, age, marital status, etc., and firmly implements equal pay for equal work for male and female employees. In addition, the Company has clearly stipulated in the "Recruitment Management System" that employees must meet the national legal working age, and the Human Resources Department conducts strict scrutiny of employee identity information during the employment contract signing stage. We strictly prohibit the employment of child labor and forced labor practices, and will punish the relevant personnel in strict compliance with related requirements once we identify such situation. In addition, the Company fully safeguards employees' right to collective bargaining and signs collective contracts with them, covering aspects such as salary and benefits, insurance and welfare, labor safety and hygiene, protection of female employees' rights and interests, and prevention and treatment of occupational diseases in the enterprise.

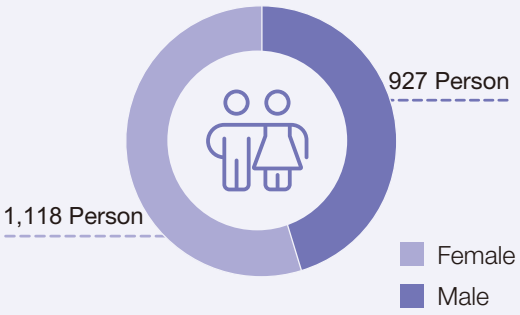
In 2025, the Company did not have any incidents of employing child labor, forced labor, or discrimination. The rate of signing labor contracts by the Company is 100%, the proportion of employees covered by collective negotiation agreements reaches 100%, and the proportion of employees in service who have joined the union is 100%.

Employment Performance of Kelun-Biotech in 2025

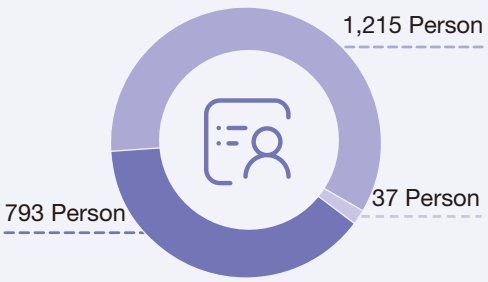
Indicators

Full-time	2,045 Person
Part-time	0 Person
Outsourcing	100 Person

By gender (full-time employees)

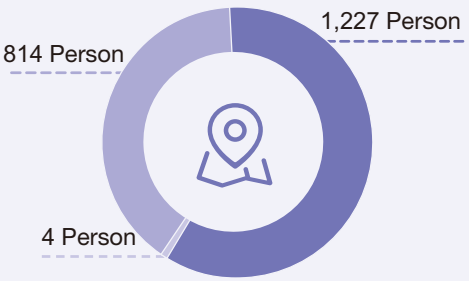


By age (full-time employees)



- 30 years old or younger
- 31 to 49 years old
- 50 years of age or older

By region (full-time employees)



- Sichuan Province
- Overseas
- Other provinces and cities in Mainland China (excluding Sichuan Province)

Talent Attraction and Retention

Kelun-Biotech regards talent as the cornerstone of development and its core competitiveness. It actively engages in university-enterprise cooperation, improves the welfare and security system, and adopts multiple measures to attract, cultivate, retain, and utilize high-caliber talent, thereby solidifying the foundation for the Company's sustainable development. The Company has established a formal talent development strategy and is actively developing a talent reserve pool.

School-enterprise Cooperation

To cultivate outstanding pharmaceutical professionals with solid foundational theory, exceptional practical innovation capabilities, and high professional quality, Kelun Pharmaceutical has joined hands with the West China School of Pharmacy, Sichuan University to establish the "Kelun Class", providing customized corporate training and professional practice opportunities for undergraduates and postgraduates. As one of the practice bases for the "Kelun Class" project, Kelun-Biotech has dispatched experienced employees to serve as corporate mentors for the project and has assisted in completing 9 undergraduate training programs and 4 postgraduate training plans by the end of 2025.

Additionally, we have engaged in exchanges regarding university-enterprise cooperation with renowned universities such as Fudan University and China Pharmaceutical University, and plan to initiate relevant collaborations in the future.

Attracting High-end Talents

With the steady advancement of Kelun-Biotech's drug research and development and commercialization layout, the Company extensively recruits outstanding global talents, striving to build a high-level, diversified talent team with a composite background. In 2025, we assisted employees in talent recognition in Wenjiang District, recommending one employee for recognition and with 240 employees independently applying for it. Additionally, we helped 11 employees obtain government housing subsidies for talented individuals and 7 employees receive vouchers for outstanding fresh graduates.

We actively respond to the incentive policy for high-end and urgently-needed overseas talents in Sichuan Province by organizing eligible overseas talents to apply for recognition. In 2025, a total of eight overseas talents from the Company applied for the High-end and Urgently-needed Overseas Talent Incentive Recognition in Sichuan Province, which will further assist the Company in attracting and retaining outstanding overseas talents, injecting new impetus into innovative development.

4.2. Employees' Rights and Welfare

Kelun-Biotech is committed to providing employees with competitive remuneration and benefits, continuously enhancing employee well-being through multiple channels of humanistic care and a wide range of employee activities, and promoting the construction of a harmonious corporate cultural ecosystem.

Employee Compensation and Benefits

Compensation System

The Company, in accordance with the Labor Law of the People's Republic of China and other laws and regulations, has established a Compensation Management System. The Company has established a compensation structure consisting of basic salary, variable salary, and various benefits, and continuously improves the compensation mechanism to adapt to the company's development and market changes.

Adhering the principle of performance-oriented and contribution-first compensation distribution, the Company establishes a healthy competitive mechanism to ensure that salaries align with development stages and business performance. Through diverse incentive methods such as equity incentives, we have created a competitive salary system within the industry, effectively attracting, retaining, and motivating key talents to enhance the Company's core competitiveness.

Welfare System

We are committed to creating a warm working environment, and continuously enhancing employees' sense of happiness and belonging. The Company has established a comprehensive welfare management system, covering all employees (including regular employees, contract employees, interns, etc.). The Company also places great emphasis on employees' mental health, incorporating mental health assessment items into its annual physical examinations to guide employees to pay attention to their mental well-being.

Employee Welfare System of Kelun-Biotech

Statutory Benefits

- Five Social Insurances and One Housing Fund
- All paid leave mandated by law, including annual leave

Care Welfare

- Traditional holiday welfare
- Housing, dining, and transportation subsidies provided by the Company
- Employee canteen
- Employee dormitories and shuttle services for commuting
- Employee commercial insurance

We also launched the Employee Benefits Platform to meet diverse welfare needs. Leveraging advanced Internet technology and extensive resource integration, the platform aggregates a wide range of high-quality welfare resources, covering daily necessities, cultural and entertainment products, fresh food and more. It fully enables personalized customization and precise delivery of employee benefits.

Employee Care

The Company cares for and supports its female employees. We place great emphasis on safeguarding the rights and interests of female employees during special physiological stages, and fully implement relevant labor forbidden regulations to ensure that female employees enjoy their lawful rights during menstruation, pregnancy, and lactation. We have established priority seating for pregnant women on all shuttle buses to ensure the safety and convenience of commuting for pregnant employees. At the same time, we have established comfortable and well-equipped nursing rooms to provide a private and convenient space for breastfeeding female employees. Additionally, we have introduced flexible attendance hours within a specific time range for female employees, allowing them to arrive and leave work within a 30-minute flexible window, better helping them balance work and life.

Case: Intangible cultural heritage experience activities for Women's Day

During the 2025 International Women's Day, with the theme of "Intangible Cultural Heritage Nurtures Craftsmanship", we meticulously organized immersive intangible cultural heritage experience activities for our female employees. The event focused on the national intangible cultural heritage techniques of kingfisher feather inlay and mother-of-pearl inlay, providing all female employees with opportunities to engage in DIY activities for both crafts. The event not only allowed female employees to experience the unique charm of intangible cultural heritage but also highlighted the significant role of women in the new era in cultural inheritance and innovative development, empowering female growth through cultural transmission.

The Company cares deeply for employees facing difficulties and helps employees alleviate hardships caused by severe illnesses, sudden disasters and major accidents by organizing personal donations from internal employees. In 2025, Kelun-Biotech assisted six employees in need.

Employee Communication

The Company places great importance on communication and interaction with employees and has established multiple channels to facilitate effective dialogue, including the General Manager's mailbox, HR department mailbox, a platform for collecting rationalization proposals, and employee satisfaction surveys. In 2025, to further strengthen internal communication and supervision mechanisms, we introduced a Chairman's Direct Reporting System, allowing employees to report significant issues and provide leads directly to the Chairman on an exceptional basis.

The Company has established smooth and confidential formal employee grievance procedures, keeping the grievants and grievance information strictly confidential, and taking necessary measures to ensure the personal safety and legitimate rights and interests of the grievants. The scope of grievances covers human rights violations such as unfair treatment, discrimination, harassment, and bullying between superiors and subordinates or colleagues, as well as other situations where rights and interests are compromised. During the Reporting Period, all grievance incidents related to employee rights were properly handled, with no objections from the complainants.

In addition, the Company insists on conducting regular employee satisfaction surveys annually. In 2025, the employee satisfaction survey covered five areas: management, environment, career development, job responsibilities and compensation and benefits. A total of 1,891 questionnaires were received. The survey results indicated an employee engagement rate of 96% and an overall satisfaction rate of 92%.

Case: Continuously carry out rationalization proposal activities

To guide and encourage employees to exhibit a sense of ownership, and to put forward innovative suggestions and improvement ideas that are conducive to enhancing the quality of business operations and management capabilities, the company has formulated the Management System for Rationalization Proposal Activities and organized the collection of rationalization suggestions. In 2025, the Company launched a special campaign titled “Cherish Resources” to solicit reasonable suggestions, receiving a total of 635 proposals, of which 450 were adopted. The campaign gathered a number of practical, quantifiable cost-saving solutions and numerous high-quality proposals that facilitated efficient resource utilization within the company, enhancing overall cost-consciousness and the level of refined management among employees.

Colorful Workplace

Case:

The company establishes staff unions, regularly holds or organizes employees to participate in a variety of team-building activities such as cycling, basketball, badminton and table tennis to create a green, humanistic and comfortable working and living environment, encouraging employees to fully showcase themselves outside of work, enhance colleague friendships, and increase the well-being of employees. Additionally, we care about our employees’ families and organize a variety of activities to help them better balance work and life.

Basketball competitions

Ping-pong tournament

Badminton tournaments

Departmental Team Building

Case: Hosting the "Little Dentist Experience Officer" Parent-Child Activity

In 2025, we collaborated with professional institutions to create an exclusive "Little Dentist Experience Officer" activity for the children of frontline employees in our core business. Through fun and interactive sessions, the event popularized oral health knowledge, enabling children to learn dental care skills and cultivate healthy habits through immersive experiences. This meticulous care extended to employees' families not only embodied our "people-oriented" corporate philosophy but also further enhanced employees' sense of belonging and family happiness.

4.3. Employee Training and Development

Kelun-Biotech places great emphasis on talent development and cultivation, providing employees with various career development pathways and establishing a comprehensive training system.

Career Development

To meet the development needs of employees and build a sustainable talent team, the Company has formulated a Promotion Management System applicable to all employees, creating promotion channels for various function sequences, and providing employees with a broad space for career development.

Function Sequences of Kelun-Biotech

Sequence	Applicable Personnel
Management sequence (Management, abbreviated as Class M)	Applicable to those with team management functions, who lead the team to achieve business goals through the management of personnel and the use of resources.
Support sequence (Support, abbreviated as Class S)	Applicable to those engaged in professional work in support functions such as administration, audit, legal affairs, finance, human resources, procurement, and warehousing.
R&D sequence (Research, abbreviated as Class R)	Applicable to those engaged in research and development and related work throughout the R&D process (including but not limited to project initiation, registration, project management, intellectual property, etc.).
Production sequence (Production, abbreviated as Class P)	Applicable to those engaged in production and work directly related to production support (including but not limited to production quality assurance, equipment maintenance support).

The Company continuously improves the employee assessment and promotion system, combines the actual situation of each department to formulate "Position Descriptions", clarifies the individual career development paths of employees, and plays a positive role in the selection, appointment and retention of core talents. In 2025, the Company achieved 100% coverage in employee performance evaluation and assessment. 479 employees achieved career advancement through assessment during the Reporting Period.

The Company respects the career development wishes of employees and has established an internal job transfer mechanism that allows employees to apply for other positions within the Company, and fully taps into employee potential. The Company fully considers the job requirements and employee preferences to arrange internal interviews for employees with job transfer needs. Employees can be reassigned internally upon passing the assessment. During the Reporting Period, the Company provided internal transfer opportunities to 303 employees, approximately doubling the number from last year, effectively enhancing the organization flexibility.

The Company encourages employees' continuous development by supporting them in pursuing academic advancement, applying for professional titles and occupational qualifications, and seeking government talent awards. In 2025, the Company supported 16 employees in obtaining junior professional titles and 20 in securing intermediate professional titles through evaluations, while 2 employees were awarded the Excellent Young Scientists Fund. Additionally, the Company applied for talent incentive subsidies for 91 employees, with approved amounts exceeding RMB2.8 million.

Employee Empowerment Training

The Company has formulated the Training Management System and the Internal Trainer Management and Incentive Scheme, requiring the HR department to take the lead in organizing each department to jointly develop an annual training plan, and to conduct full tracking and supervision of the implementation of training. By establishing a multi-dimensional training system that integrates online and offline learning with both general and specialized skills, the Company has created an effective platform for employees to enhance their capabilities.

We regularly organize corporate culture building activities to strengthen employees' cultural identity, providing value-based support for various training initiatives. The elite talent program aims to cultivate high-caliber talents to build a strong talent pool; the team leader program enhances the capabilities of front-line managers, reinforcing frontline execution; and the internal trainer system establishes an internal knowledge inheritance mechanism, empowering various business departments to conduct training independently. Additionally, each department independently carries out specialized training programs based on its operational needs. Furthermore, we continuously enrich training content, use innovative teaching methods, enhance follow-up on training effectiveness, and promote deep integration between training and the needs of business departments.

For new graduate hires, we organized training activities such as production base internships and onboarding training through the Kelun Pharmaceutical Talent Program Intensive Training Camp, with a total of 46 participants. For managers, we conducted various management capability enhancement training programs to support employees' continuous growth.

In 2025, a total of 131 training sessions were conducted at the Company level, with a total of 160,050 participants, a total learning time of 549,523.46 hours, a 100% employee coverage rate, and an average training duration of 268.72 hours.

Case: Enhancing frontline managers' capabilities

In 2025, the Company focused on building the management capabilities of frontline team leaders by conducting specialized training on management skills and safety awareness in a tiered approach. From March to August, we held six management empowerment training sessions and nine assessments for team leaders, covering six core modules such as role recognition and effective communication through a "self-study + group discussion + assessment" model, with all 90 participants passing the assessments. From November to December, we focused on specialized safety management and completed training on two key topics: EHS management of highly active pharmaceutical ingredients and fire safety. This precise training system comprehensively enhanced the overall management capabilities of team leaders, ensuring the efficient and stable operation of the Company.

4.4. Occupational Health and Safety

Occupational Health and Safety is the foundation of a company's sustainable development. Kelun-Biotech has always prioritized the health and safety of its employees, establishing a robust safety management system to solidify the foundation for the company's stable operations.

Safe Production

Safety Production Management System

The Company strictly follows laws and regulations such as the Safe Production Law of the People's Republic of China and the Occupational Disease Prevention and Control Law of the People's Republic of China, and has formulated safety management systems such as the Safe Production Responsibility System, Management System for Factory Safety, Management System for Monitoring and Evaluation of Occupational Disease Hazards and Management Procedure for Occupational Health Promotion and Education, clarifying safety responsibilities at all levels, and standardizing safety management requirements for factories, workshops, facilities, special operations, etc., providing employees with a safe and effective working environment. During the Reporting Period, focusing on the core needs of risk prevention and control for special operations, the Company revised eight management rules for special operations, including those for temporary electricity safety and work-at-height safety, further refining the division of responsibilities and assessment mechanisms.

The Company establishes a Safety Production Committee. The main responsible person of the enterprise is the first responsible person for safe production, and the person in charge of each department is the first responsible person for safe production of the department. The Company strictly adheres to the safety production principle of "the industry managers must manage safety, the business managers must manage safety, and the producers and operators must manage safety". Safety management work is carried out from three levels: company, department, and team, with the person in charge at each level serving as the first responsible person.

Case:

In 2025, the Company successfully passed the external audit of the ISO 45001 Occupational Health and Safety Management System certification. The certification covering 100% of the Company's production sites. In addition, the Company underwent three guidance-oriented safety inspections by external safety regulatory authorities, completed all required rectifications on time, and obtained the Certificate of Grade III Standardization for Work Safety.

During the Reporting Period, the Company's investment in occupational health and safety reached RMB1.6494 million. The Company always adheres to the principle of "safety first, prevention foremost, and comprehensive management", and has set an annual goal of zero safety accidents. In 2025, the Company achieved various safety objectives, with no safety accidents occurring within the year.

中泰认证

职业健康安全管理体系认证证书

四川科伦博泰生物医药股份有限公司

GB/T 45001-2020 idt ISO 45001:2018

中泰联合认证有限公司

ISO 45001 Occupational Health and Safety Management System Certificate of Kelun-Biotech

安全生产标准化

Work Safety Standardization

证书

CERTIFICATE

四川科伦博泰生物医药股份有限公司

安全生产标准化三级企业

Kelun-Biotech Work Safety Standardization Level 3 Certificate

Hidden Risk Screening and Fire Safety

The Company has established a dual preventive mechanism, forming relevant management systems and clarifying the process of risk classification management and management of hidden hazards. During the Reporting Period, to enhance safety risk monitoring and early warning response capabilities, we installed visual surveillance cameras, including newly added image-based infrared intelligent detectors and control hosts, at high-risk locations within the factory premises. Through 24-hour monitoring, we achieved comprehensive management and control of fire accident risks.

To eliminate on-site risks, the Company has strengthened its risk management system by establishing a three-tiered inspection mechanism at the post, workshop, and company levels. A closed-loop management model has been implemented for hazard identification, registration, and rectification, achieving a 100% rectification rate for hazards during the year.

Additionally, we regularly organize comprehensive emergency evacuation drills and specialized emergency drills to enhance the emergency response capabilities of all employees. In 2025, we conducted four company-wide specialized emergency drills, with a cumulative participation of 1,324 individuals.

Case: Conducting comprehensive emergency evacuation drill

In December 2025, to fully implement the fire prevention policy of "prevention first, combining prevention with firefighting" and enhance the safety evacuation awareness and capabilities of all employees, the Company organized the 2025 comprehensive emergency evacuation drill, involving a total of 1,016 participants. After the evacuation drill, the Company provided practical experience activities in four areas: fire extinguishers, fire hydrants, simulated escape experience pods, and emergency rescue demonstrations, improving employees' emergency response capabilities in the event of sudden fires.

Safety Management of Contractor

The Company has established the "Contractor Safety Management System", which clearly defines the full-process closed-loop safety management requirements for contractors, including contractor selection, safety agreements, site entry management, work preparation, construction safety, and assessment and evaluation. Through comprehensive process standardization management, the Company aims to reduce the occurrence of safety accidents after contractors begin work on-site.

In addition, the Company places significant emphasis on providing safety training for contractors and has uploaded multiple contractor construction management-related topics, including site entry safety, hot work safety and on-site supervisor training, to the online learning center. Each course includes both course learning modules and post-course assessments. During the Reporting Period, a cumulative total of 241 contractor personnel completed the study and assessment.

Safety Culture Promotion

The Company regularly organizes various safety-related training activities for different functional departments, including internal safety training and outsourced professional skills training. In 2025, we conducted a total of 33 safety training sessions, covering 8,696 participants with a duration of 9,846 training hours, averaging 4.46 hours per person, and achieving a 100% coverage rate for employee safety training.

Case: Special Safety Training for Team Leaders

To fortify the first line of defense for work safety, during the Reporting Period, we launched a specialized safety training enhancement program for workshop team leaders. The training focused on core job requirements, with tailored course materials developed specifically for the role. An innovative "classroom + case study" integrated approach was adopted, clearly outlining key content such as identification of job-related risk points and strategies for fulfilling safety management responsibilities. Through this training, team leaders' safety management capabilities, practical skills, and sense of responsibility were simultaneously elevated, providing a solid foundation for the safe and stable operation of production activities.

Occupational Health

Due to the particularity of Kelun-Biotech products, the Company has taken a series of stringent measures for highly active pharmaceutical ingredients to ensure employees' occupational health. Specific measures include determination of occupational exposure limits (OEL), classification of occupational exposure bands (OEB), qualitative risk assessment of the whole process, use of closed equipment and systems, provision of labor insurance products and training, compliance with waste disposal, and development of special emergency disposal plans, etc., to continuously optimize employee occupational health protection. The Company also invites third-party institutions to conduct tightness testing to strictly ensure the health and safety of employees.

The Company has set and achieved an annual goal of zero occupational disease hazard accidents, through occupational health examinations, labor protection equipment allocation, detection of occupational hazards at the workplace, and emergency drills, prevent, control, and eliminate occupational hazards to protect employee health.

In 2025, a total of 556 employees at the Company participated in occupational health examinations, with 0 reported cases of occupational disease diagnosis. Furthermore, the compliance rate of annual occupational health hazard detection of the Company reached 100%, effectively safeguarding employees' occupational health.

5. FOCUS ON ECOLOGY – CREATE A GREEN FUTURE

5.1. Responding to Climate Change

In the production and operating activities, Kelun-Biotech upholds the concept of green development, formulates the "Climate Policy of Kelun-Biotech", strictly controls the Company's greenhouse gas emissions, and advocates the participation of stakeholders to contribute to the fight against climate change.

Governance

The Company integrates climate-related matters into its existing ESG management mechanism and carries out climate-related practices from a top-down approach. The Board of Directors regularly reviews climate-related policies and performance to ensure the effective execution and oversight of climate-related policies and initiatives. Under the guidance of the Board of Directors, the ESG Working Group gradually formulates and refines climate-related strategic objectives, while overseeing and reviewing the implementation and execution of climate change response actions. Each functional department specifically implements climate-related policies and actions. The Board of Directors and the ESG Working Group conduct a review of climate change-related matters at least once a year.

In addition, the Company regularly provides training on climate change to members of the Board of Directors and management to continuously enhance the performance capabilities of the Board and climate governance bodies. Currently, we have not yet incorporated climate factors into our compensation policies, but we plan to include climate-related indicators in the incentive system for directors in the future to strengthen the Board's emphasis on climate change issues.

Strategy

Climate Risks and Opportunities

The Company refers to the "Implementation Guidance for Climate Information Disclosure under the Hong Kong Stock Exchange's Environmental, Social, and Governance Framework" and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Combining its own business characteristics, trends in relevant domestic and international laws and regulations, and global climate change trends, the Company systematically identifies and comprehensively assesses potential climate-related risks and opportunities. During the Reporting Period, we identified, analyzed, and evaluated 9 transition risks, 3 physical risks, and 3 climate opportunities. We have developed response measures for significant risks to effectively prevent and address the impacts of climate change on the Company.

Based on its business development plans and the climate policy requirements of the regions where it operates, the Company has defined short-term (1–5 years), medium-term (6–10 years), and long-term (over 10 years) timeframes for addressing climate risks and opportunities.

Climate-Related Risks in Kelun-Biotech

Type	Climate-Related Risks	Risk Examples	Risk Level	Impact Time Limit	Operational and Financial Impact	Measures to Address
Physical risk	Acute risk	Increased severity of extreme weather events such as typhoons and floods	Low	Medium-term Long-term	○ Damage to property and assets, including buildings, infrastructure, engineering and testing equipment ○ Suppliers may fail to complete deliveries in a timely manner, resulting in business interruption ○ Negative impact on labor safety, management and planning	Establish an enhanced emergency management scheme for extreme weather Reduce the use of energy-extensive equipment
	Chronic risk	Sea level rise	Low	Long-term	○ Damage to the facilities of the supply chain enterprises ○ Increased infrastructure costs in supply chain enterprises	
		Average temperature rise	Low	Long-term	○ Increased energy consumption and operating costs	
Transition risks	Policy and legal risks	Existing requirements and regulations	Medium	Medium-term	○ Fines, business losses, business shutdowns ○ In order to cater to the increasingly stringent policies, the Company's costs have increased	Track relevant regulations and policies annually and compile greenhouse gas emissions data in order to respond in a timely manner when requested
	Technical risks	Transition cost of low carbon emission technology	Medium	Long-term	○ Costs related to green technology research and development ○ Increased operating costs	Make mitigation and regulation of climate change as one of the priorities of relevant business departments and EHS department
	Market risk	Change in customer behavior	Low	Long-term	○ Customers pay more attention to the carbon footprint of the supply chain, and demand to achieve the goal of carbon emission reduction in the supply chain ○ Order losses and reduced revenue due to insufficient disclosure of carbon neutralization targets and data	
		Uncertain market demand	Low	Long-term	○ Climate change leads to new diseases, and demand for drugs and other pharmaceutical products may increase	Make climate change a priority issue and communicate with stakeholders through channels such as ESG reports
		Increased raw material costs	Medium	Medium-term Long-term	○ Decreased quantity and quality of raw materials. Decrease in quantity leads to higher raw material costs, further increasing enterprise operating costs	
	Reputation risk	Increasing stakeholder concerns about negative feedback	Low	Medium-term Long-term	○ Corporate stakeholders, including investors and customers, are increasingly concerned about sustainable development and climate change, and inadequate disclosure of corporate information will damage the Company's reputation	

Climate-related Opportunities in Kelun-Biotech

Climate-related opportunities		Operational and Financial Impact	Impact Time Limit
Resource efficiency	Reduce energy use	○ Reduce the operating cost and enhance the corporate reputation	Medium-term Long-term
	Reduce the use of water resources	○ Reduce the operating cost of enterprises	Medium-term Long-term
Products and services	Shifting in customer preferences	○ Formulate environmental management strategy according to customer strategy and demand to enhance competitive advantage ○ As global climate change intensifies, customers are increasingly inclined to use environmentally friendly products/services	Long-term

Notes:

1. Kelun-Biotech has not identified any climate-related risks or opportunities in the short and medium terms that are likely to have a significant impact on its financial position, financial performance, and cash flows. Based on the "comply or explain" principle outlined in Appendix D of the ESG Reporting Code, Kelun-Biotech is not required to conduct a quantitative analysis of its current financial impacts.

2. When assessing the quantitative analysis of expected financial impacts, due to the inability to separately identify relevant impacts or the high level of uncertainty in the measurement methods for assessing these impacts, a "financial impact waiver" has been applied for the quantitative analysis of the expected financial impacts of climate-related risks and opportunities.

Strategy and Decision-making

The Company implements the low-carbon concept, creates the low-carbon economy, and is committed to reducing the adverse impact of the Company's operations on the environment. We continue to strengthen energy management and reduce energy waste while adopting more environmentally friendly equipment and more advanced technologies to improve energy utilization efficiency. The Company also actively explores the introduction and use of renewable energy to reduce greenhouse gas emissions.

In response to the increasing frequency of climate-related natural disasters, the Company has established the "Special Emergency Response Plan for Natural Disasters" and the "Flood Prevention and Control Emergency Plan", among other systems, and regularly conducts emergency drills to safeguard employees' health and safety as well as protect corporate assets. In 2025, to address extreme torrential rain conditions, the Company organized a flood control and emergency response drill in 2025, involving 42 employees.

Considering the current impact level of climate risks and opportunities, the Company has not yet formulated a climate-related transition plan. We will develop relevant plans as necessary, taking into account business development conditions and changes in the internal and external environment.

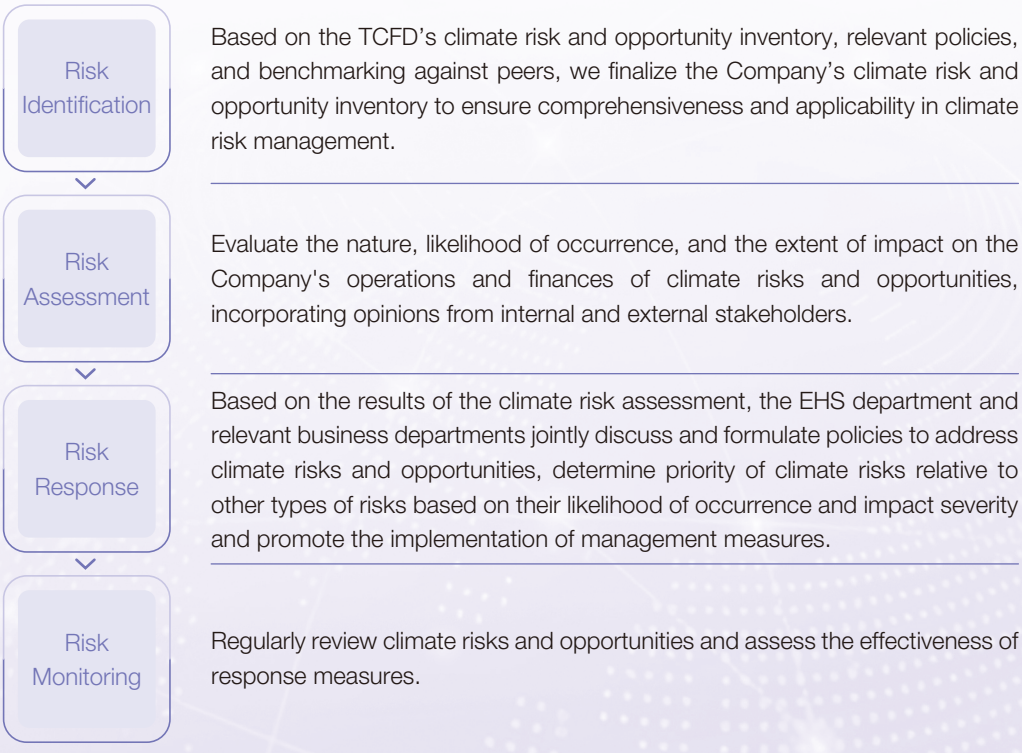
Climate Resilience

Given that Kelun-Biotech's current skills, capabilities, and resources do not yet meet the requirements for analysis, a "capability waiver" has been applied for climate scenario analysis. Responding to climate change is a long-term endeavor, and climate risks and opportunities are influenced by domestic and international situations, resulting in significant uncertainty regarding their impact on the Company's business. The Company will closely monitor policy updates in its operating locations, industry trends, and updates to climate data models, dynamically adjusting its climate strategy in conjunction with its business strategy to enhance operational resilience.

Risk Management

We have formulated the "Kelun-Biotech Climate Change Policy" and established a comprehensive climate risk management process covering all operational areas, integrating climate risks and opportunities into the Company's overall risk management process. Compared to the previous fiscal year, our climate risk management process remains unchanged.

Climate Risk Management Process of Kelun-Biotech



Indicators and Targets

In response to the national "carbon peak" and "carbon neutrality" strategies and to advance greenhouse gas emission reductions, we have set greenhouse gas emission reduction targets covering all operational areas.

Greenhouse Gas Emission Reduction Targets and Progress

Using 2023 as the baseline

we aim to reduce the emission intensity of Scope 1 and Scope 2 greenhouse gases by 5% by 2030.

Greenhouse Gas Emission Performance of Kelun-Biotech

	2023	2024	2025
Total Greenhouse Gas Emissions	19,903.34 Tons of CO_2 equivalent	21,106.72 Tons of CO_2 equivalent	**22,844.90** Tons of CO_2 equivalent
Scope 1 Greenhouse Gas Emissions	6,335.07 Tons of CO_2 equivalent	6,366.60 Tons of CO_2 equivalent	**8,909.23** Tons of CO_2 equivalent
Scope 2 Greenhouse Gas Emissions	13,568.27 Tons of CO_2 equivalent	14,740.12 Tons of CO_2 equivalent	**13,935.67** Tons of CO_2 equivalent
Scope 3 Greenhouse Gas Emissions	/ Tons of CO_2 equivalent	/ Tons of CO_2 equivalent	**1,420.60** Tons of CO_2 equivalent
Employee Commuting	/ Tons of CO_2 equivalent	/ Tons of CO_2 equivalent	**356.84** Tons of CO_2 equivalent
Business Travels	/ Tons of CO_2 equivalent	/ Tons of CO_2 equivalent	**1,063.76** Tons of CO_2 equivalent
Greenhouse Gas Emission Density (Scope 1+2)	12.92 Tons (CO_2 equivalence)/ million revenue	10.92 Tons (CO_2 equivalence)/ million revenue	**11.10** Tons (CO_2 equivalence)/ million revenue

Notes:

1. In 2024, the Company's greenhouse gas emission accounting scope covered production and office facilities in Chengdu. In 2025, the Company included the employee dormitories in Chengdu, offices in Guangzhou, Shanghai, Beijing and Wuhan, as well as subsidiaries in Hong Kong into the greenhouse gas emission disclosure scope.

2. Based on the requirements of the "ESG Reporting Code" and the applicability of accounting standards, Scope 1 and Scope 2 emissions are calculated in accordance with the "Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard" (GHG Protocol). Scope 1 emissions primarily originate from the combustion of gasoline and diesel in company vehicles, natural gas combustion, and fugitive emissions from air conditioning refrigerants, fire extinguishers, septic tanks, and wastewater treatment facilities, and process emissions from the use of carbonates and other substances during the production process. Scope 2 emissions mainly consist of purchased electricity emissions. The emission factor for purchased electricity in 2023 is calculated using the national average CO_2 emission factor of electricity from the Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment and the emission factor for Hong Kong issued by the CLP Group. Greenhouse gas accounting is presented in terms of CO_2 equivalent.

3. Scope 3 emissions are calculated with reference to the "Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard", identifying and organizing emissions based on the principles of materiality and data availability. This report covers two categories of Scope 3 emissions: business travel and employee commuting. For other categories of Scope 3 emissions, due to the significant cost required to obtain all reasonable and substantiated data, a "reasonable data waiver" has been applied.

4. The GHG emission intensity is calculated based on the sum of emissions in Scope 1 and Scope 2. During the Reporting Period, we updated our greenhouse gas emission reduction targets with reference to industry practices and recalculated greenhouse gas emission intensity for previous years using the new unit of tons of CO_2 equivalent per million revenue.

5. Due to the significant cost required to obtain reasonable and substantiated data for cross-industry and industry-specific climate disclosure metrics, a "reasonable information relief" has been applied.

As Kelun – Biotech has not identified any climate-related risks or opportunities in the short to medium term that are likely to have a significant impact on its financial position, financial performance, and cash flows, and given the substantial cost required to obtain all reasonable and substantiated data for disclosing the "amount and percentage of assets or business activities susceptible to climate-related physical and transition risks" and the "amount and percentage of assets or business activities related to climate-related opportunities", we have applied a "reasonable data waiver" for these indicators. During the Reporting Period, Kelun-Biotech's capital expenditures, financing, or investments related to climate-related risks and opportunities amounted to 0.

Kelun-Biotech has not implemented internal carbon pricing measures at this stage.

5.2. Environmental Management

Kelun-Biotech strictly adheres to the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, as well as other laws and regulations, and has formulated environmental-related systems such as the Management Procedure for Environmental Protection and the Management System for Waste Collection and Waste Storage, to ensure the smooth progress of the Company's environmental protection work.

The Company adheres to the principle of "prevention first, combining prevention with control," clarifies the responsibilities of the EHS department in charge of the Company's environmental management, and sets up a reward and punishment mechanism. In response to potential pollution incidents, the Company has formulated a comprehensive "Environmental Pollution Incident Emergency Response Plan" and conducted emergency drills during the Reporting Period for scenarios such as abnormal operation of waste gas facilities, abnormal effluent from the wastewater treatment station, and hazardous waste leakage, effectively enhancing its management capabilities in handling emergencies.

Basic Principles of Environmental Protection Management Procedures of Kelun-Biotech

- The director of the EHS department of the Company is responsible for environmental protection work and reports directly to the general manager of the Company;
- Focus on the prevention and control of "three wastes" pollution, ensuring the funding, equipment, materials, and manpower for the "three wastes" treatment and comprehensive utilization projects;
- Establish regular inspection, maintenance, and post-maintenance acceptance procedures for environmental protection facilities and equipment;
- The Company must include environmental protection work as one of the technical and economic indicators for assessment and evaluation;
- Anyone who violates the procedures and causes an accident must be held accountable according to the degree of hazard of the accident.

Case: ISO 14001 Environmental Management System Certification Certificate of Kelun-Biotech

In 2025, the Company successfully passed the external audit of the ISO 14001 Environmental Management System certification, with the certification covering 100% of the Company's production sites.

中泰认证

环境管理体系认证证书

四川科伦博泰生物医药股份有限公司

5.3. Resource Management

Kelun-Biotech attaches great importance to energy and water resource management, continuously improving its resource management system and enhancing resource utilization efficiency.

Energy Management

Case: ISO 50001 Energy Management System Certification Certificate of Kelun-Biotech

In accordance with the Law on Energy Conservation of the People's Republic of China and other laws and regulations, the Company has established the Equipment & Power Engineering Department as the Energy Management Department, formulate the "Energy Inspection System" to ensure the effective implementation of energy management. In 2025, the Company successfully passed the external audit of the ISO 50001 Energy Management System certification, with the certification covering 100% of the Company's production sites.

Energy Management Measures

The Company enhances energy efficiency in its R&D and production operations and promotes the achievement of low-carbon management goals by focusing on three aspects: improving the energy-saving performance of facilities and systems, refining energy-saving management procedures, and implementing energy-saving measures.

Energy Management Measures for Kelun-Biotech

Smart Energy Management Platform

- By leveraging data acquisition and remote communication technologies from smart meters, and utilizing energy management software, it achieves information-based and visual energy consumption management, providing informational support for energy conservation and consumption reduction efforts.

Enhancing the Energy-saving Level of Facilities and Systems

- The design and construction process of the plant strictly complies with the requirements of green buildings. The heat preservation (winter)/cold preservation (summer) performance of the building is improved through material and structural upgrading to reduce energy consumption.
- Establish the operation facilities, equipment automation and frequency conversion control system, adjust the energy load level flexibly and improve the energy utilization efficiency.
- Establish an annual comprehensive energy consumption analysis mechanism, and adopt advanced energy-saving technologies (such as HVAC heat pipe control) to reform high-energy consuming equipment to achieve the goal of energy saving and consumption reduction.
- Replacing the original Roots blower at the sewage treatment station with an air-suspension blower can save 30,660 kWh of electricity annually.

Refined Management Procedure for Energy Saving

- Carry out energy saving and consumption reduction patrol work and implement monthly inspection and assessment, and timely correct and rectify problems such as continuous light. Each department shall conduct energy inspection at least once a month, and the Energy
- Management Department needs to conduct irregular re-inspections or spot checks, promptly provide feedback on issues, and carry out rectifications and archiving.
- Carry out diversified energy-saving publicity and education to employees.

Implement Energy-saving Measures

- Advanced energy-saving schemes in the industry are employed in the new construction and reconstruction projects and energy-saving materials are used.
- Lighting system modification, including replacement of light-emitting diode (LED) lamps, and use of sound-controlled lamps in public areas.

Case: Implementation of Energy-Saving Project for Air Compressor Control Optimization

In 2025, addressing the current operational strategy of "two in use and one standby" for the air compression system and the excessively high main pipe control pressure, we advanced an energy-saving project for air compressor control optimization. The project was implemented in two phases: In the first phase, through system parameter optimization, we reduced the main pipe control pressure and the average daily loading time of air compressors, achieving an annual electricity savings of 43,200 kWh. The second phase, involving automated group control retrofitting, is scheduled for implementation in 2026 and is expected to further reduce equipment loading operation time, resulting in an annual electricity savings of 135,000 kWh. Through refined regulation and technological upgrades, the project has achieved a continuous decline in energy consumption.

Energy Management Goals and Progress

Using 2023 as the baseline

We aim to reduce electricity consumption intensity by 5%.

Using 2023 as the baseline

Natural gas consumption intensity by 5% by 2030.

Energy Performance of Kelun-Biotech

	2023	2024	2025
Purchased Electricity Consumption	23,791,455 kWh	25,846,255 kWh	**26,264,687** kWh
Purchased Electricity Consumption Intensity	15,444.05 kWh/million revenue	13,265.62 kWh/million revenue	**12,762.11** kWh/million revenue
Diesel Consumption	1,293 Liter	/ Liter	**38,519** Liter
Diesel Consumption Intensity	0.84 Liter/million revenue	/ Liter/million revenue	**18.72** Liter/million revenue
Natural Gas Consumption	3,198,447 Cubic meter	3,216,061 Cubic meter	**3,270,969** Cubic meter
Natural Gas Consumption Intensity	2,076.25 Cubic meter/ million revenue	1,663.73 Cubic meter/ million revenue	**1,589.38** Cubic meter/ million revenue

Note:

1. During the Reporting Period, we updated our energy consumption targets by referencing industry practices. Energy consumption intensity was calculated using revenue in millions as the denominator. Therefore, we have recalculated the energy consumption intensity for previous years according to the new unit.

2. In 2024, the Company's purchased electricity report scope covered production and office facilities in Chengdu. In 2025, the Company included the employee dormitories in Chengdu, offices in Guangzhou, Shanghai, Beijing and Wuhan, as well as subsidiaries in Hong Kong into the purchased electricity disclosure scope.

3. The diesel consumption included the total amount of diesel used by diesel generators and the Company's employee commuter buses.

Water Resource Management

Water Resource Management System and Measures

Based on the Management Procedure for Environmental Protection, the Company continuously improves water resources management. As a company in the pharmaceutical industry, we focus on the development and utilization of water cycle technology in high water consumption links such as process water and process cooling water, increase the water reuse efforts, and achieve efficient utilization of water resources.

Case: Implementation of an Injection Water Recycling Project

Addressing the pain point of significant wastewater generation at the points of use of Water for Injection (WFI) in the production process, we completed and commissioned the WFI recycling and water-saving project in September 2025. The project involved renovating the drainage pipes for WFI in the production area to collect wastewater into a tank, which was then pumped to the raw water tank of the pure steam generator in the air conditioning system for recycling as raw water for pure steam production. According to actual measurements, the project annually recycled and reused 2,340 m^3 of WFI, equivalent to saving 3,600 m^3 of tap water, achieving dual benefits of efficient water resource recycling and cost reduction with increased efficiency.

Water Resource Management Goals and Progress

Using 2023 as the Baseline

We aim to reduce water consumption intensity by 10% by 2030.

Water Resource Management Performance of Kelun-Biotech

	2023	2024	2025
Tap Water Consumption	302,765 Cubic meter	350,561 Cubic meter	**362,860** Cubic meter
Recycled Water Consumption	34,560,000 Cubic meter	34,560,000 Cubic meter	**34,560,000** Cubic meter
Water Consumption Intensity	196.54 Cubic meter/ million revenue	181.35 Cubic meter/ million revenue	**176.32** Cubic meter/ million revenue

Note: During the Reporting Period, we updated our water consumption goals by referencing industry practices, calculating water consumption intensity using million revenue as the denominator. Therefore, we recalculated the water consumption intensity for previous years according to the new unit.

Packaging Material Usage

In procurement, the Company emphasizes selecting larger product packaging or recyclable packaging formats. We have switched intermediate packaging materials from cardboard boxes to plastic boxes, increasing the number of times packaging can be reused. Additionally, we have replaced small-bucket packaging for dichloromethane and ethyl acetate with large iron drums, effectively reducing waste emissions through source control.

Packaging Material Management Performance of Kelun-Biotech

	2023	2024	2025
Total Quantity of Materials	23.70 Ton	25.22 Ton	**24.50** Ton
Material Density	0.015 Ton/million revenue	0.013 Ton/million revenue	**0.012** Ton/million revenue

5.4. Emission Management

Kelun-Biotech continues to strengthen its pollution prevention efforts, focusing on reducing emissions of pollutants such as exhaust gases, wastewater and solid waste, to minimize the negative environmental impact of its operations.

Exhaust Gas Emission

The Company strictly implements the requirements of the "Comprehensive Emission Standards of Air Pollutants" and "Emission Standards for Air Pollutants in Pharmaceutical Industry" to ensure compliance with emission standards for all types of air pollutants. The Company has installed high efficiency filtration systems in the production workshops, and the exhaust gas was treated and discharged by a combination of technologies including spray washing, activated carbon adsorption and photooxidation treatment.

The Company pays great attention to the daily operation management, maintenance, and inspection of the waste gas treatment facilities, conducts online monitoring of the concentration of waste gas emissions pollutants, and regularly contacts the qualified environmental monitoring units to carry out external monitoring of waste gas. The 2025 waste gas emission monitoring results of Kelun-Biotech meet the national emission standards, and the concentration of treated waste gas pollutants is far below the standard emission limits.

Air pollutant management targets and progress

With 2023 as the Baseline

Exhaust gas emission intensity will be reduced by 5% by 2030

Air Pollutant Emission Performance of Kelun-Biotech

	2023	2024	2025
Total Exhaust Gas Emission	39,948.85 10,000 cubic meters	24,405.50 10,000 cubic meters	**41,969.33** 10,000 cubic meters
Nitrogen Oxides	0.78 Ton	0.84 Ton	**0.81** Ton
Volatile Organic Pollutants	0.81 Ton	0.96 Ton	**1.14** Ton
Particulate Matter	1.24 Ton	0.29 Ton	**0.00** Ton
Exhaust Gas Emission Intensity	25.93 10,000 cubic meters/ million revenue	12.63 10,000 cubic meters/ million revenue	**20.39** 10,000 cubic meters/ million revenue

Wastewater Discharge

Through recirculating water usage, the Company reduces the amount of waste water produced in the production process, and strictly enforces the requirements of the discharge agreement signed with the park sewage treatment plant. After pretreatment process, the production wastewater and the experimental wastewater enter the sewage treatment station in the plant area together with the domestic sewage, and discharge into the park sewage treatment plant after reaching the standard. Additionally, the Company has achieved fully automated and configurable unmanned operation for functions such as influent intake, aeration, backflushing, and emergency response at the wastewater treatment station, ensuring operational stability.

Water Pollutant Management Targets and Progress

With 2023 as the Baseline

Wastewater discharge will be reduced by 5% by 2030

Water Pollutant Emission Performance of Kelun-Biotech

	2023	2024	2025
Total Wastewater Discharge	102,003 Ton	107,370.06 Ton	**110,386.83** Ton
Chemical Oxygen Demand (COD) Emissions	5.15 Ton	4.32 Ton	**7.56** Ton
Wastewater Discharge Intensity	66.21 Ton/million revenue	55.54 Ton/million revenue	**53.64** Ton/million revenue

Waste Management

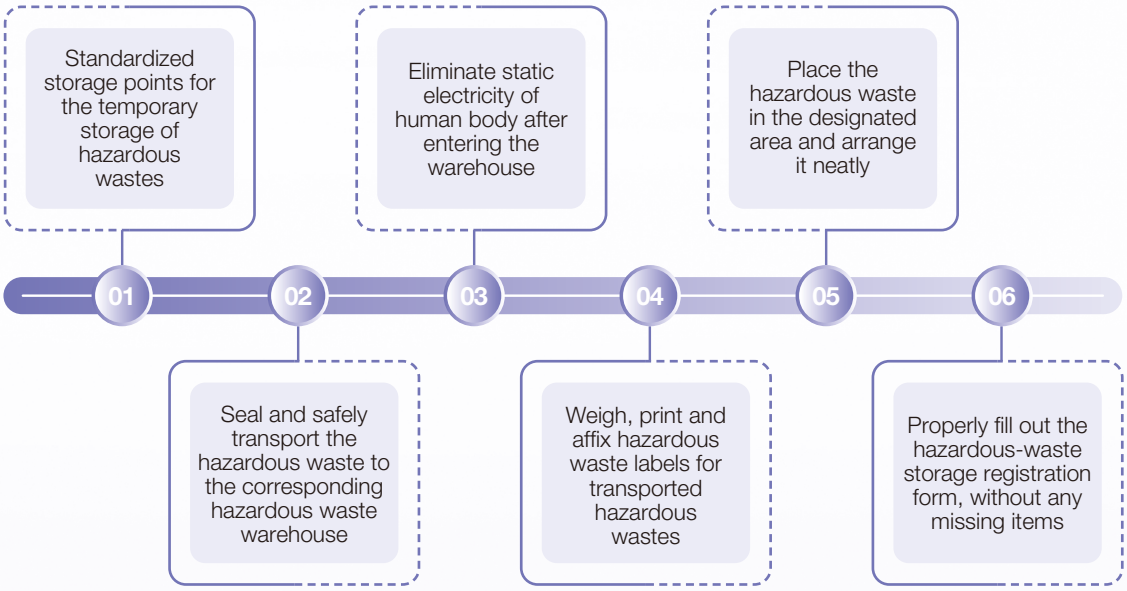
The Company strictly follows relevant laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and formulates the Management System for Waste Collection and Waste Storage that specifies the full process management requirements for the collection, storage, transportation, and disposal of general and hazardous waste, reducing the impact on the environment.

The Company attaches importance to the standardized disposal of wastes, and timely clears and transports harmless wastes through the sanitation department and waste recycling company. In addition, we have intensified our efforts in recycling general waste, with over 9 tons of general waste such as waste paper, waste cardboard, and scrap iron recycled in 2025.

Case: Standardized Management Training for Hazardous Waste

We strictly prohibit the act of mixing general wastes and hazardous wastes, and have made clear regulations on the collection and storage of hazardous wastes, assigning dedicated personnel to be responsible for the on-site management of the storage warehouse. The Company has installed a full set of Internet of Things (IoT) equipment, including electronic weighbridges, electronic label generation devices and video surveillance, in its hazardous waste warehouse, and connected it to the Sichuan Province Solid Waste Comprehensive Management Platform to achieve full-process online management and control of hazardous waste. Meanwhile, the Company conducted "Standardized Management Training for Hazardous Waste" annually for departments generating hazardous waste, with 1,405 participants in 2025.

Hazardous Waste Transfer Process of Kelun-Biotech



Waste Management Objectives and Performance

With 2023 as the baseline

5% reduction of hazardous waste production density in 2030

Waste Management Performance of Kelun-Biotech

	2023	2024	2025
Quantity of Hazardous Wastes Generated	239.47 Ton	402.41 Ton	**568.43** Ton
Quantity of Hazardous Wastes Disposed	/ Ton	/ Ton	**574.17** Ton
Density of Hazardous Wastes Generated	0.16 Ton/million revenue	0.21 Ton/million revenue	**0.28** Ton/million revenue
Quantity of Non-hazardous Wastes Generated	676.01 Ton	933.50 Ton	**1,077.82** Ton
Quantity of Non-hazardous Wastes Disposed	/ Ton	/ Ton	**1,077.82** Ton
Density of Non-hazardous Wastes Generated	0.44 Ton/million revenue	0.48 Ton/million revenue	**0.52** Ton/million revenue
Total Recovery of Non-hazardous Wastes	8.28 Ton	10.41 Ton	**9.80** Ton

Note: During the Reporting Period, we updated our waste management objectives with reference to industry practices, calculating waste generation density using million units of revenue as the denominator. Therefore, we reshaped the waste generation density figures for previous years in accordance with the requirements of the new waste management objectives.

APPENDIXES

Appendix I: ESG Key Performance Table

Category	Indicator	Unit	2023	2024	2025
Performance statistics at environmental level					
Air Pollutants	Total exhaust gas emission	10,000 cubic meters	39,948.85	24,405.50	41,969.33
	Nitrogen oxides	Ton	0.78	0.84	0.81
	Volatile organic pollutants	Ton	0.81	0.96	1.14
	Particulate matter	Ton	1.24	0.29	0.00
	Exhaust gas emission intensity	10,000 cubic meters/ million revenue	25.93	12.63	20.39
Water pollutants	Total wastewater discharged	Ton	102,003.00	107,370.06	110,386.83
	COD discharged	Ton	5.15	4.32	7.56
	Wastewater discharge intensity	Ton/million revenue	66.21	55.54	53.64
Greenhouse gas	Total greenhouse gas emissions	Tons of CO_2 equivalent	19,903.34	21,106.72	22,844.90
	Scope 1 greenhouse gas emissions	Tons of CO_2 equivalent	6,335.07	6,366.60	8,909.23
	Scope 2 greenhouse gas emissions	Tons of CO_2 equivalent	13,568.27	14,740.12	13,935.67
	Scope 3 greenhouse gas emissions	Tons of CO_2 equivalent	/	/	1,420.60
	Employee commuting	Tons of CO_2 equivalent	/	/	356.84
	Business travels	Tons of CO_2 equivalent	/	/	1,063.76
	Greenhouse gas emission density	Tons (CO_2 equivalence)/ million revenue	12.92	10.92	11.10
Wastes	Quantity of hazardous wastes generated	Ton	239.47	402.41	568.43
	Quantity of hazardous wastes disposed	Ton	/	/	574.17
	Density of hazardous wastes generated	Ton/million revenue	0.16	0.21	0.28
	Quantity of non-hazardous wastes generated	Ton	676.01	933.50	1,077.82
	Quantity of non-hazardous wastes disposed	Ton	/	/	1,077.82
	Density of non-hazardous wastes generated	Ton/million revenue	0.44	0.48	0.52
	Total recovery of non-hazardous wastes	Ton	8.28	10.41	9.80
Energy	Quantity of purchased power consumed	kWh	23,791,455	25,643,050	26,264,687
	Density of purchased power consumed	kWh/million revenue	15,444.05	13,265.62	12,762.11
	Diesel consumption	Liter	1,293	/	38,519
	Density of diesel consumed	Liter/million revenue	0.84	/	18.72
	Quantity of natural gas consumed	Cubic meter	3,198,447	3,216,061	3,270,969
	natural gas consumption density	Cubic meter/million revenue	2,076.25	1,663.73	1,589.38
Water resources	Tap water consumption	Cubic meter	302,765	350,561	362,860
	Recycled water volume	Cubic meter	34,560,000	34,560,000	34,560,000
	Water density	Cubic meter/million revenue	196.54	181.35	176.32
Packaging materials	Total quantity of materials	Ton	23.70	25.22	24.50
	Material density	Ton/million revenue	0.015	0.013	0.012

Category	Indicator		Unit	2023	2024	2025
Performance statistics at social level						
Employees	By type of employment	Full-time	Person	1,415	1,837	2,045
		Part-time	Person	62	0	0
		Outsourcing	Person	24	25	100
	By gender (full-time employees)	Male	Person	563	805	927
		Female	Person	852	1,032	1,118
	By age (full-time employees)	30 years old or younger	Person	701	804	793
		31 to 49 years old	Person	679	997	1,215
		50 years of age or older	Person	35	36	37
	By region (full-time employees)	Sichuan Province	Person	1,104	1,154	1,227
		Other provinces and cities in China (other than Sichuan Province)	Person	307	679	814
		Overseas	Person	4	4	4
[2]Employee turnover rate	By gender (full-time employees)	Male	%	16.22	8.47	19.31
		Female	%	15.06	8.44	13.77
	By age (full-time employees)	30 years old or younger	%	16.86	8.96	19.04
		31 to 49 years old	%	14.48	7.53	14.15
		50 years of age or older	%	8.82	23.53	27.02
	By region (full-time employees)	Sichuan Province	%	15.1	8.06	10.68
		Other provinces and cities in China (other than Sichuan Province)	%	16.9	9.12	24.82
		Overseas	%	0	0	0
Employee Health and Safety	Number of deaths due to work in 2023		Person	0	0	0
	Number of deaths due to work in 2024		Person	0	0	0
	Number of deaths due to work in 2025		Person	0	0	0
	Percentage of deaths due to work in 2023		%	0	0	0
	Percentage of deaths due to work in 2024		%	0	0	0
	Percentage of deaths due to work in 2025		%	0	0	0
	Number of working days lost due to work injury		Day	0	93	24
Proportion of employees trained	Overall workforce		%	100	100	100
	By gender	Male	%	100	100	100
		Female	%	100	100	100
	By employee category	General staff	%	100	100	100
		Middle management	%	100	100	100
		Senior management	%	100	100	100

[2] Turnover rate = Number of resignations of each category/Total number of employees of each category * 100%

Category	Indicator		Unit	2023	2024	2025
Average duration of training	Overall workforce		Hours/person	81.43	53.57	268.72
	By gender	Male	Hours/person	81.37	54.91	264.10
		Female	Hours/person	81.47	53.53	272.54
	By employee category	General staff	Hours/person	81.53	56.38	282.62
		Middle management	Hours/person	80.31	18.89	83.85
		Senior management	Hours/person	81.71	20.63	2.66
Suppliers	By region	Mainland China	/	293	347	1,115
		Overseas	/	105	86	80
[3]Products and customer service	Percentage of products sold subject to recalls for safety and health reasons		%	–	0	0
	Number of complaints received about products and services		/	–	5	3
	Complaint handling rate about products and services		%	–	100	100
	Total number of violations related to health and safety, labelling and customer privacy of products and services provided		/	0	0	0
Intellectual Property Protection	Cumulative number of patents applied		/	504	614	826
	Cumulative number of patents authorized		/	184	248	291
	Cumulative number of trademarks applied		/	138	139	140
	Cumulative number of trademarks authorized		/	133	135	137
Anti-corruption	Cases of embezzlement litigation closed		/	0	0	0
Anti-corruption training	By employee category	General staff	Person-times	2,691	1,796	2,042
		Middle management	Person-times	840	125	126
		Senior management	Person-times	42	10	10

[3] As the Company did not launch any products in 2023, the following three metrics are not applicable: Percentage of products sold subject to recalls for safety and health reasons, the number of complaints received about products and services, and complaint resolution rate about products and services.

Appendix II: Content Index of the Environmental, Social and Governance Reporting Code of the Stock Exchange of Hong Kong

Part C: "Comply or Explain" Provisions

Indicator	Disclosure Requirements	Report Index
A1 Emissions		
General disclosure	Regarding emissions of waste gases, pollution discharge into water and land, and the generation of hazardous and non-hazardous wastes: (a) Policy; and (b) compliance with relevant laws and regulations having a significant impact on the issuer. Note: Emissions of waste gases include nitrogen oxides, sulfur oxides, and other pollutants regulated by national laws and regulations. Hazardous waste refers to that defined by national regulations.	5.4. Emission Management
A1.1	Types of emissions and relevant emission data.	5.4. Emission Management
A1.3	The total quantity of hazardous waste generated (calculated in tons) and (if applicable) density (calculated per unit of production per facility).	5.4. Emission Management
A1.4	The total quantity of non-hazardous waste generated (calculated in tons) and (if applicable) density (calculated per unit of production per facility).	5.4. Emission Management
A1.5	Describe the emission reduction targets set and the steps taken to achieve these targets.	5.1. Responding to Climate Change 5.4. Emission Management
A1.6	Describe the methods for handling hazardous and non-hazardous waste, and describe the waste reduction targets set and the steps taken to achieve these targets.	5.4. Emission Management
A2 Resource Use		
General disclosure	Policies for the effective use of resources (including energy, water, and other raw materials). Note: Resources may be used for production, storage, transportation, buildings, electronic equipment, etc.	5.3. Resource Management
A2.1	Total direct and/or indirect energy-related consumption quantity (calculated in thousands of kilowatt-hours) and density (calculated per unit of production per facility) (by type).	5.3. Resource Management
A2.2	Total water consumption quantity and density (calculated per unit of production per facility).	5.3. Resource Management
A2.3	Describe the energy efficiency targets set and the steps taken to achieve these targets.	5.3. Resource Management
A2.4	Describe any potential issues with obtaining suitable water sources, as well as the water efficiency targets set and the steps taken to achieve these targets.	5.3. Resource Management
A2.5	The total quantity of packaging materials used for finished products (calculated in tons) and (if applicable) the quantity per production unit.	Appendix I: ESG Key Performance Table

Indicator	Disclosure Requirements	Report Index
A3 Environment and Natural Resources		
General disclosure	Policies to reduce the issuer's significant impact on the environment and natural resources.	5.3. Resource Management
A3.1	Describe the significant impacts of business activities on the environment and natural resources, and the actions taken to manage these impacts.	5.3. Resource Management
B1 Employment		
General disclosure	Regarding compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other treatment and benefits: (a) Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	4.1. Diversity, Equality and Inclusion
B1.1	The total number of employees by gender, employment type (such as full-time or part-time), age group, and region.	4.1. Diversity, Equality and Inclusion
B1.2	Employee turnover rates by gender, age group, and region.	Appendix I: ESG Key Performance Table
B2 Health and safety		
General disclosure	Regarding the provision of a safe working environment and the protection of employees from occupational hazards: (a) Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	4.4. Occupational Health and Safety
B2.1	The number and rate of fatalities due to work-related accidents in the past three years (including the reporting year).	Appendix I: ESG Key Performance Table
B2.2	Number of working days lost due to work injury.	Appendix I: ESG Key Performance Table
B2.3	Describe the occupational health and safety measures adopted, and the related implementation and monitoring methods.	4.4. Occupational Health and Safety
B3 Development and Training		
General disclosure	Policies on enhancing employees knowledge and skills to perform their job responsibilities. Describe training activities. Note: Training refers to vocational training, which may include courses paid for by the employer, both internal and external.	4.3. Employee Training and Development
B3.1	The percentage of trained employees by gender and employee category (such as senior management and middle management).	Appendix I: ESG Key Performance Table
B3.2	The average number of training hours completed per employee, broken down by gender and employee category.	Appendix I: ESG Key Performance Table

Indicator	Disclosure Requirements	Report Index
B4 Labor Code		
General disclosure	Regarding the prevention of child labor or forced labor: (a) Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	4.1. Diversity, Equality and Inclusion
B4.1	Describe measures to review recruitment practices to avoid child labor and forced labor.	4.1. Diversity, Equality and Inclusion
B4.2	Describe the steps taken to eliminate the situation when violations are discovered.	4.1. Diversity, Equality and Inclusion
B5 Supply Chain Management		
General disclosure	Policies for managing environmental and social risks in the supply chain.	2.3. Supply Chain Management
B5.1	Number of suppliers by region.	2.3. Supply Chain Management
B5.2	Describe the practices for hiring suppliers, the number of suppliers to whom these practices are applied, and the related implementation and monitoring methods.	2.3. Supply Chain Management
B5.3	Describe the practices for identifying environmental and social risks at each stage of the supply chain, and the related implementation and monitoring methods.	2.3. Supply Chain Management
B5.4	Describe the practices for encouraging the use of environmentally friendly products and services when selecting suppliers, and the related implementation and monitoring methods.	2.3. Supply Chain Management
B6 Product Responsibility		
General disclosure	Regarding the health and safety of the products and services provided, advertising, labeling and privacy issues, and remedial measures: (a) Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	2.2. Quality Responsibility
B6.1	The percentage of total sold or delivered products that need to be recalled for safety and health reasons.	Appendix I: ESG Key Performance Table
B6.2	The number of complaints received about products and services and the response methods.	2.2. Quality Responsibility
B6.3	Describe the practices related to maintaining and protecting intellectual property rights.	1.1. Compliance and Business Ethics
B6.4	Describe the quality verification process and product recovery procedure.	2.2. Quality Responsibility
B6.5	Describe the consumer data protection and privacy policies, and the related implementation and monitoring methods.	1.3. Information Security and Privacy Protection

Indicator	Disclosure Requirements	Report Index
B7 Anti-corruption		
General disclosure	Regarding the prevention of bribery, extortion, fraud, and money laundering: (a) Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer.	1.1. Compliance and Business Ethics
B7.1	The number and outcomes of lawsuits filed against the issuer or its employees during the Reporting Period.	1.1. Compliance and Business Ethics
B7.2	Describe the preventive measures and reporting procedures, and the related implementation and monitoring methods.	1.1. Compliance and Business Ethics
B7.3	Describe the anti-corruption training provided to directors and employees.	1.1. Compliance and Business Ethics
B8 Community Investment		
General disclosure	Policies related to engaging with the community to understand the needs of the communities where operations are located and to ensure that business activities consider community interests.	3.3. Participation in Social Co-construction
B8.1	Focused areas of contribution (such as education, environmental matters, labor needs, health, culture, sports).	3.2. Facilitating Inclusive Care 3.3. Participation in Social Co-construction
B8.2	Resources utilized in the focus areas (such as money or time).	3.3. Participation in Social Co-construction

Part D: Climate-related Disclosures

Governance	Description	Section
19(a)	The governance body(ies) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(ies) or individual(s) and disclose information about:	5.1. Responding to Climate Change – Governance
19(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about:	5.1. Responding to Climate Change – Governance

Strategy	Description	Section
20	Climate-related risks and opportunities	5.1. Responding to Climate Change – Strategy
21	Business models and value chain	5.1. Responding to Climate Change – Strategy
22, 23	Strategy and decision-making	5.1. Responding to Climate Change – Strategy
24, 25	Financial position, financial performance and cash flows	Quantifying Expected Financial Impacts and Applying Financial Effects Relief
26	Climate resilience	Capabilities Relief for Climate-related Scenario Analysis
Risk Management	**Description**	**Section**
27	Risk Management	5.1. Responding to Climate Change – Risk Management
Indicators and Targets	**Description**	**Section**
28, 29	Greenhouse gas emissions	5.1. Responding to Climate Change – Indicators and Targets
30	Climate-related transition risks	Reasonable Information Relief
31	Climate-related physical risks	Reasonable Information Relief
32	Climate-related opportunities	Reasonable Information Relief
33	Capital usage	Reasonable Information Relief
34	Internal carbon pricing	N/A
35	Remuneration	N/A
36	Industry indicators	Reasonable Information Relief
37~40	Climate-related targets	5.1. Responding to Climate Change – Indicators and Targets
41	Applicability of cross-industry indicators and industry-based indicators	Appendix I: ESG Key Performance Table

Independent auditor's report to the shareholders of
Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of 四川科倫博泰生物醫藥股份有限公司 (Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., the "Company") and its subsidiaries (together, the "Group") set out on pages 191 to 249, which comprises the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Recognition and measurement of research and development expenses

Refer to note 5(c) to the consolidated financial statements and the accounting policies on page 218.

The Key Audit Matter	How the matter was addressed in our audit
The Group incurred research and development ("R&D") expenses of RMB1,319,675,000 for R&D activities for the year ended December 31, 2025, mainly consisting of staff costs, trial and testing expenses and raw materials. We identified the recognition and measurement of R&D expenses as a key audit matter because of the significant amount incurred during the year and the inherent risk of R&D expenses not accurately recognized in the appropriate financial reporting period.	Our audit procedures to assess the recognition and measurement of R&D expenses included the following: • Obtaining an understanding of and testing the design and implementation and the operating effectiveness of the key internal controls related to the Group's R&D expenses recognition and measurement process; • Evaluating the allocation and accrual of R&D related staff costs to the relevant R&D projects by checking to the labour contracts of relevant staffs, monthly payroll list and working time records maintained by the R&D department on a sample basis; • Inspecting contract application form, key terms set out in the R&D related trial and testing contracts and the completion status reports from the service providers, on a sample basis, to assess whether trial and testing expenses were recorded based on the respective contract terms or completion status and whether these expenses were allocated to the R&D projects appropriately; • Obtaining external confirmations from trial and testing expense suppliers, on a sample basis, to confirm the trial and testing expenses incurred for the year ended December 31, 2025; For the unreturned confirmations, comparing the trial and testing expenses recorded for the year to the R&D related trial and testing contracts and the completion status reports from the service providers; • Inspecting, on a sample basis, raw materials delivery notes, invoices, materials application forms to assess whether these costs were recorded accurately and allocated to the relevant R&D projects appropriately; and • Evaluating whether the R&D expenses were included in the appropriate period by comparing R&D expenses recorded before and after the reporting period end, on a sample basis, to relevant underlying documents such as materials application forms, invoices and completion status reports from the service providers.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is LAI, Chi Yin, Frankie (practising certificate number: P05676).

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
March 23, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2025
(Expressed in Renminbi ("RMB"))

	Note	2025 RMB'000	2024 RMB'000
Revenue	3	**2,057,920**	1,933,045
Cost of sales		**(579,139)**	(659,388)
Gross profit		**1,478,781**	1,273,657
Other net income	4	**145,243**	139,755
Selling and distribution expenses		**(475,252)**	(182,717)
Administrative expenses		**(178,719)**	(163,310)
Research and development expenses		**(1,319,675)**	(1,206,134)
Loss from operations		**(349,622)**	(138,749)
Finance costs	5(a)	**(6,158)**	(3,796)
Loss before taxation	5	**(355,780)**	(142,545)
Income tax	6(a)	**(26,191)**	(124,221)
Loss for the year attributable to equity shareholders of the Company		**(381,971)**	(266,766)
Loss per share	10		
Basic and diluted (RMB Yuan per share)		**(1.66)**	(1.20)

The notes on pages 196 to 249 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Loss for the year		**(381,971)**	(266,766)
Other comprehensive income for the year (after tax)	9		
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas subsidiaries		**(7,749)**	3,537
Other comprehensive income for the year		**(7,749)**	3,537
Total comprehensive income for the year attributable to equity shareholders of the Company		**(389,720)**	(263,229)

The notes on pages 196 to 249 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025
(Expressed in RMB)

	Note	As at December 31, 2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	11	**635,905**	594,822
Right-of-use assets	12	**122,591**	163,283
Intangible assets		**1,100**	2,579
Financial assets measured at fair value through other comprehensive income ("FVOCI")	14(c)	**70,080**	–
Other non-current assets	15	**10,234**	14,512
		839,910	775,196
Current assets			
Inventories	16	**240,944**	110,506
Trade and other receivables	17	**345,538**	303,728
Amounts due from related parties	28(d)	**2,795**	2,921
Financial assets measured at fair value through profit or loss ("FVPL")	14(a)	**935,310**	1,448,319
Financial assets measured at amortized cost	14(b)	**292,574**	283,979
Restricted deposits	18(a)	**87,677**	6,850
Cash and cash equivalents	18(a)	**3,243,797**	1,336,503
		5,148,635	3,492,806
Current liabilities			
Contract liabilities	19	**258,033**	312,375
Trade and other payables	20	**684,518**	446,832
Lease liabilities	21	**44,401**	41,842
Amounts due to related parties	28(d)	**17,542**	8,792
		1,004,494	809,841
Net current assets		**4,144,141**	2,682,965
Total assets less current liabilities		**4,984,051**	3,458,161
Non-current liabilities			
Lease liabilities	21	**44,043**	84,905
Deferred income	22	**72,938**	64,595
		116,981	149,500
NET ASSETS		**4,867,070**	3,308,661
CAPITAL AND RESERVES			
Share capital	25(c)	**233,186**	227,268
Reserves		**4,633,884**	3,081,393
TOTAL EQUITY		**4,867,070**	3,308,661

Approved and authorized for issue by board of directors on March 23, 2026.

Ge Junyou
Executive Director

Zhou Zejian
Chief Financial Officer

The notes on pages 196 to 249 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025
(Expressed in RMB)

	Note	Share capital RMB'000	Capital reserves RMB'000	Exchange reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2024		219,196	6,161,075	5,542	(4,056,316)	2,329,497
Changes in equity for 2024						
Loss for the year		–	–	–	(266,766)	(266,766)
Exchange differences on translation of financial statements of overseas subsidiaries		–	–	3,537	–	3,537
Total comprehensive income		–	–	3,537	(266,766)	(263,229)
Issuance of new shares	25(c)	8,072	1,086,036	–	–	1,094,108
Equity-settled share-based payment	23(b)	–	148,285	–	–	148,285
Balance at December 31, 2024 and January 1, 2025		**227,268**	**7,395,396**	**9,079**	**(4,323,082)**	**3,308,661**
Changes in equity for 2025						
Loss for the year		**–**	**–**	**–**	**(381,971)**	**(381,971)**
Exchange differences on translation of financial statements of overseas subsidiaries		**–**	**–**	**(7,749)**	**–**	**(7,749)**
Total comprehensive income		**–**	**–**	**(7,749)**	**(381,971)**	**(389,720)**
Issuance of new shares	25(c)	**5,918**	**1,771,516**	**–**	**–**	**1,777,434**
Equity-settled share-based payment	23(b)	**–**	**170,695**	**–**	**–**	**170,695**
Balance at December 31, 2025		**233,186**	**9,337,607**	**1,330**	**(4,705,053)**	**4,867,070**

The notes on pages 196 to 249 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31, 2025
(Expressed in RMB)

	Note	2025 RMB'000	2024 RMB'000
Operating activities			
Cash used in operating activities	18(b)	**(227,015)**	(429,770)
Withholding tax refunded	6(b)	**46,715**	–
Net cash used in operating activities		**(180,300)**	(429,770)
Investing activities			
Payment for the purchase of property, plant and equipment		**(125,685)**	(77,460)
Proceeds from disposal of property, plant and equipment		**3**	30
Payment for intangible assets		**(565)**	(3,659)
Payment for investment in financial assets measured at FVPL	26(e)	**(4,530,000)**	(3,210,000)
Proceeds from redemption of financial assets measured at FVPL	26(e)	**5,067,140**	2,416,933
Payment for investment in financial assets measured at amortized cost		**(2,883,857)**	(103,102)
Proceeds from maturity of financial assets measured at amortized cost		**2,883,978**	155,253
Net cash generated from/(used in) investing activities		**411,014**	(822,005)
Financing activities			
Net proceeds from issuance of new shares	25(c)	**1,777,434**	1,094,108
Capital element of lease rentals paid	18(d)	**(43,215)**	(54,601)
Interest element of lease rentals paid	18(d)	**(6,158)**	(2,288)
Net cash generated from financing activities		**1,728,061**	1,037,219
Net increase/(decrease) in cash and cash equivalents		**1,958,775**	(214,556)
Cash and cash equivalents at January 1	18(a)	**1,336,503**	1,528,774
Effect of foreign exchange rate changes		**(51,481)**	22,285
Cash and cash equivalents at December 31	18(a)	**3,243,797**	1,336,503

The notes on pages 196 to 249 form part of these financial statements.

1 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards, which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Material accounting policies adopted by the Company and its subsidiaries (together referred to as the "Group") are disclosed below.

The IASB has issued certain new and amended IFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended December 31, 2025 comprise the Group.

Items included in these consolidated financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("functional currency").

RMB, the United States dollars ("USD") and Hong Kong dollars ("HKD") are the functional currencies for the Company and Company's subsidiaries established in Mainland China, the United States and Hong Kong.

The consolidated financial statements are presented in RMB, rounded to nearest thousands, which is the presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are stated at fair value as explained in note 1(e).

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1 MATERIAL ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in accounting policies

The Group has applied amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(i)), unless it is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 26(e). These investments are subsequently accounted for as follows, depending on their classification.

1 MATERIAL ACCOUNTING POLICIES (continued)

(e) Other investments in securities (continued)

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

- amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 1(s)(ii)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

- fair value through other comprehensive income (FVOCI) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in other comprehensive income (OCI). When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- fair value through profit or loss (FVPL) if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the equity investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI.

Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognized in profit or loss as other income (see note 1(s)(iv)).

1 MATERIAL ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 1(i)(ii)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Buildings	25 years
– Machinery and equipment	10 years
– Furniture, fixtures and others	3 to 5 years
– Vehicles	5 to 8 years
– Leasehold improvements	3 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Construction in progress is stated at cost less impairment losses (see note 1(i)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

Construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation polices specified above.

No depreciation is provided in respect of construction in progress.

(g) Intangible assets (other than goodwill)

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

1 MATERIAL ACCOUNTING POLICIES (continued)

(g) Intangible assets (other than goodwill) (continued)

Other intangible assets, including software, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see note 1(i)(ii)).

Expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimate useful lives for the current and comparative periods are as follows:

– Software	2 years

Amortization methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalize the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognized in profit or loss on a systematic basis over the lease term.

Where the lease is capitalized, the lease liability is initially recognized at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortized cost and interest expense is recognized using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and are charged to profit or loss as incurred.

1 MATERIAL ACCOUNTING POLICIES (continued)

(h) Leased assets (continued)

As a lessee (continued)

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 1(i)(ii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(i) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses ("ECL"s) on:

- financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and other receivables);

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;

- variable-rate financial assets: current effective interest rate.

1 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

– financial instruments that are determined to have low credit risk at the reporting date; and

– other financial instruments for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or

– the financial asset is 90 days past due.

1 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. The Group recognizes an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see note 1(e)(i)).

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

1 MATERIAL ACCOUNTING POLICIES (continued)

(i) Credit losses and impairment of assets (continued)

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contact costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realizable value as follows:

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1 MATERIAL ACCOUNTING POLICIES (continued)

(j) Inventories and other contract costs (continued)

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalized as inventory (see note 1(j)(i)), property, plant and equipment (see note 1(f)) or intangible assets (see note 1(g)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalized if the costs relate to revenue which will be recognized in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalized if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalized as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Amortization of capitalized contract costs is recognized in profit or loss when the revenue to which the asset relates is recognized (see note 1(s)(i)).

(k) Contract assets and contract liabilities

A contract asset is recognized when the Group recognizes revenue (see note 1(q)(i)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see note 1(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see note 1(l)).

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see note 1(q)(i)). A contract liability is also recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such latter cases, a corresponding receivable is also recognized (see note 1(l)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 1(s)(ii)).

(l) Trade and other receivables

A receivable is recognized when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost (see note 1(i)(i)).

1 MATERIAL ACCOUNTING POLICIES (continued)

(l) Trade and other receivables (continued)

Prepayments of the Group represent upfront cash payments made to contract research organizations ("CROs"), hospitals and suppliers for equipment.

Prepayments to CROs and hospitals, which are organizations that provide support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis, will be subsequently recorded as research and development expenses in accordance with the applicable performance requirements within one year or less and therefore are all classified as current assets.

Prepayments for equipment which are due for transfer to property, plant and equipment and therefore are classified as non-current assets.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs (see note 1(i)(i)).

(n) Trade and other payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(o) Shares issued

Shares issued are classified as equity if they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Group's equity instruments. Discretionary dividends thereon are recognized as equity distributions on approval by the Company's shareholders.

(p) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with note 1(v).

1 MATERIAL ACCOUNTING POLICIES (continued)

(q) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as related service is provided.

(ii) Share-based payments

For those shares granted before the initial public offering ("IPO"), the fair value of shares at grant date is measured with reference to the price per share in the latest equity financing transaction, taking into account the terms and conditions upon which the share-based payment awards were granted. For those shares granted after the IPO, the fair value of shares at grant date is measured with reference to the closing share marketing price of that day. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring.

(r) Income tax

Income tax expense comprises current tax and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

1 MATERIAL ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Co-operation and Development.

The Group recognized deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services.

Further details of the Group's revenue and other income recognition policies are as follows:

1 MATERIAL ACCOUNTING POLICIES (continued)

(s) Revenue and other income (continued)

(i) Revenue from contracts with customers

(a) Revenue from license and collaboration agreements

The Group grants licenses of its intellectual property (the "License") to its customers. The consideration for the License comprises a fixed element (the upfront payment) and variable elements (including but not limited to development milestones and sales-based royalties). The upfront fees are recognized as revenue when customers obtain rights to access the technology. Development milestone payments are included in the transaction price and recognized as revenue throughout the license period when it is highly probable that there will not be a subsequent reversal of a significant amount of revenue. Sales-based royalties are not included in the transaction price until customers make the sales.

(b) Revenue from provision of research and development services

Research and development services are comprised of performance obligations which are capable of being distinct. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the services.

For the research and development services that i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or iii) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date, the Group concluded that such services can be identified as a performance obligation satisfied over time. The Group use input methods to recognize revenue on the basis of the Group's inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.

Otherwise, revenue is recognized at a point in time when the customers accept and can benefit from such service.

(c) Revenue from sales of pharmaceutical products

For the sale of pharmaceutical products, revenue is recognized at the point in time when control of the goods has been transferred, being when the goods have been delivered to the customer's specific location. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. A receivable is recognized by the Group when the goods are delivered to the customer. The normal credit term is 60 days upon delivery. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

1 MATERIAL ACCOUNTING POLICIES (continued)

(s) Revenue and other income (continued)

(i) Revenue from contracts with customers (continued)

(c) Revenue from sales of pharmaceutical products (continued)

The Group offers retrospective volume rebates to certain major customers when certain criteria has been reached and offers rights of return upon customer acceptance occasionally. Such rights of return and volume rebates give rise to variable consideration. The Group uses an expected value approach to estimate variable consideration based on the Group's current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of pharmaceutical products, the Group recognizes revenue after taking into account adjustment to transaction price arising from returns and rebates as mentioned above.

(ii) Interest income

Interest income is recognized using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(iii) Government grants

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognized initially as deferred income and amortized to profit or loss as other income over the useful life of the asset.

(iv) Dividends

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

1 MATERIAL ACCOUNTING POLICIES (continued)

(t) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

– an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to profit or loss).

The assets and liabilities of foreign operations are translated into RMB at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognized, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(u) Research and development expenses

Research and development expenses comprise all expenses that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Expenditure on research activities is recognized as an expense in the period in which it is incurred. Expenditure on development activities is capitalized if the process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development.

1 MATERIAL ACCOUNTING POLICIES (continued)

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(w) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 MATERIAL ACCOUNTING POLICIES (continued)

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgments and estimations used in preparation of the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Note 26 contains information about the assumptions and their risk factors relating to financial instruments. Other key sources of significant estimation uncertainty are as follows:

(a) Research and development expenses

Development expenses incurred on the Group's pipelines are capitalized and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development.

Development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria met for capitalization. During the reporting period, the Group's development expenditures incurred did not meet these capitalization principles for any products and were expensed as incurred.

(b) Recognition of deferred tax assets

Deferred tax assets in respect of tax losses carried forward and deductible temporary differences are recognized and measured based on the expected manner of realization or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of each reporting date. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgement exercised by the directors. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognized and hence the net profit in future years.

2 ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

(c) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual values. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expenses to be recorded during the reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted if there are significant changes from previous estimates.

(d) Fair value of unlisted equity investment

The unlisted equity investment measured at FVOCI has been valued as detailed in note 26(e). The valuation requires the Group to determine the comparable public companies. In addition, the Group makes estimates about the discount for lack of liquidity. Further details are included in note 14(c).

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the research and development, manufacturing and commercialization of novel drugs in oncology, immunology and other therapeutic areas.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Revenue from license and collaboration agreements	**1,498,044**	1,863,071
Revenue from provision of research and development service	**17,175**	18,276
Revenue from sales of pharmaceutical products	**542,701**	51,698
	2,057,920	1,933,045

3 REVENUE AND SEGMENT REPORTING (continued)

(a) Revenue (continued)

(i) Disaggregation of revenue (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
Point in time	**1,376,331**	1,107,697
Over time	**681,589**	825,348
	2,057,920	1,933,045

The Group's customer base includes two customers (2024: one) with whom transactions have exceeded 10% of the Group's revenues. In 2025, revenues from these customers amounted to approximately RMB1,314,726,000 (2024: RMB1,840,391,000). Details of concentrations of credit risk arising from these customers is set out in note 26(a).

(ii) Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date.

As at December 31, 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB1,162,332,000 (2024: RMB1,744,036,000), which is expected to occur over the next 12 to 33 months (2024: next 12 to 45 months).

The above amount does not include any amounts of milestone bonuses that the Group may earn in the future by meeting the conditions set out in the Group's existing contracts with customers, unless at the reporting date it is highly probable that the Group will satisfy the conditions for earning those bonuses.

(b) Segment reporting

(i) Segment information

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment.

Accordingly, no reportable segment information is presented.

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the customers are registered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, right-of-use assets and the location of the operation to which they are allocated, in the case of intangible assets and other non-current assets.

Revenues from external customers

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
The People's Republic of China (the "PRC") (Place of domicile)	**571,197**	92,654
The United States of America (the "USA")	**1,314,724**	1,840,391
Switzerland	**168,693**	–
Other countries	**3,306**	–
	2,057,920	1,933,045

Non-current assets

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
The PRC	**769,319**	775,041
The USA	**511**	155
	769,830	775,196

4 OTHER NET INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Settlement income (note (i))	**73,409**	–
Interest income from bank deposits	**54,819**	23,917
Government grants (note (ii))	**28,673**	67,102
Net realized and unrealized gain on financial assets measured at FVPL	**24,131**	21,547
Interest income from financial assets measured at amortised cost	**8,716**	10,260
Net loss on disposal of property, plant and equipment	**(123)**	(146)
Net foreign exchange (losses)/gains	**(46,267)**	17,791
Others	**1,885**	(716)
	145,243	139,755

Note:

(i) Settlement income represents amounts received from an independent third party as set out in the announcement of the Company dated December 16, 2025 which is recognized as income for the year ended December 31, 2025.

(ii) The government grants mainly represent subsidies received from government authorities for the purpose of compensation for expenditure arising from research activities and clinical trials, awards for new drug development and capital expenditure incurred on certain projects. There are no unfulfilled conditions or contingencies relating to these government grants.

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interest expenses on lease liabilities	**6,158**	2,288
Interest expenses on bills payable	**–**	1,508
	6,158	3,796

5 LOSS BEFORE TAXATION (continued)

(b) Staff costs

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries, wages, bonuses and other benefits	**684,285**	557,754
Contributions to defined contribution retirement plan	**28,060**	22,329
Equity-settled share-based payment expenses (note 23(b))	**170,695**	148,285
	883,040	728,368

Staff costs include remuneration of directors, supervisors and senior management (note 7 and note 28(a)).

Pursuant to the relevant labour rules and regulations in the PRC, the Company and its subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organized by the local government authorities whereby the Company and its subsidiaries in the PRC are required to make contributions to the Schemes based on certain percentages of the eligible employee's salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligation for payment of other retirement benefits beyond the above contributions.

(c) Other items

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Amortization cost of intangible assets	**2,044**	2,416
Depreciation charge		
– property, plant and equipment (note 11)	**52,746**	45,874
– right-of-use assets (note 12)	**45,606**	43,096
Auditors' remuneration		
– audit services	**2,604**	2,400
– other services	**859**	1,245
Research and development expenses*	**1,319,675**	1,206,134
Cost of inventories recognized as an expense#:		
– Cost of sales	**58,646**	39,561
– Research and development expenses	**85,204**	153,856

* Research and development expenses includes RMB546,444,000 (2024: RMB597,513,000) relating to staff costs, cost of inventories and depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in the note 5(b) for each of these types of expenses.

\# Cost of inventories includes RMB21,676,000 (2024: RMB27,398,000) relating to staff costs and depreciation and amortization expenses, which are also included in the respective total amounts disclosed separately above or in note 5(b) for each of these types of expenses.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Current tax		
Provision for the year		
– The PRC Corporate Income Tax	**–**	–
– United States Withholding Tax	**72,906**	124,221
– United States Withholding Tax refunded	**(46,715)**	–
	26,191	124,221

(i) PRC Corporate Income Tax

Effective from January 1, 2008, the PRC statutory income tax rate is 25% under the PRC Corporate Income Tax Law. The Group's subsidiaries in the PRC are subject to PRC income tax at 25% unless otherwise specified.

According to the PRC Corporate Income Tax Law and its relevant regulations, entities that qualified as high-technology enterprise are entitled to a preferential income tax rate of 15%. The Company obtained its certificate of high-technology enterprise on December 3, 2020 and October 16, 2023 respectively and is entitled to preferential income tax of 15% from 2020 to 2026.

(ii) Hong Kong Profit Tax

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year. There were no assessable profits generating from the subsidiary incorporated in Hong Kong of the Group during the year ended December 31, 2025.

(iii) United States Withholding Tax

Pursuant to US Income Tax laws and regulations and the agreement between the government of the People's Republic of China and the USA for avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (中華人民共和國政府和美利堅合眾國政府關於對所得避免雙重徵税和防止偷漏税的協定), a 10% US federal withholding tax is charged on royalties paid pursuant to license and collaboration agreements entered between the Company and a US company.

The Company applied to the Internal Revenue Service to refund the US federal withholding tax and Internal Revenue Service reviewed this application on a case-by-case basis. In 2025, Internal Revenue Service refunded withholding tax of USD6,500,000 (equivalent to RMB46,715,000) to the Company.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(b) Reconciliation between tax expense and accounting loss at applicable tax rates

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss before taxation	**(355,780)**	(142,545)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the countries and jurisdictions concerned	**(88,131)**	(34,910)
Effect of preferential income tax rates	**34,020**	12,807
Tax effect of non-deductible expenses	**2,617**	756
Tax effect of unused tax losses not recognized	**51,494**	21,347
Withholding tax	**72,906**	124,221
Withholding tax refunded	**(46,715)**	–
Actual tax expense	**26,191**	124,221

7 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended December 31, 2025					
	Directors' fees RMB'000	Basic salaries, housing allowances, other allowances and benefits in kind for the financial year RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Share-based payments RMB'000 (Note (i))	Total RMB'000
Executive Director						
Mr. Ge Junyou (葛均友)	–	6,039	2,756	74	19,076	27,945
Non-executive Directors						
Mr. Liu Gexin (劉革新)	–	–	–	–	–	*
Mr. Liu Sichuan (劉思川)	–	–	–	–	–	*
Mr. Lai Degui (賴德貴)	–	–	–	–	3,002	3,002
Mr. Feng Hao (馮昊)	–	–	–	–	3,002	3,002
Ms. Liao Yihong (廖益虹) (appointed in June 2025)	–	–	–	–	1,137	1,137
Mr. Zeng Xuebo (曾學波)	–	–	–	–	–	,
Mr. Li Dongfang (李東方) (resigned in June 2025)	–	–	–	–	–	,
Independent Non-executive Directors						
Mr. Zheng Qiang (鄭強)	300	–	–	–	–	300
Mr. Tu Wenwei (涂文偉)	300	–	–	–	–	300
Ms. Jin Jinping (金錦萍)	300	–	–	–	–	300
Ms. Li Yuedong (李越冬)	300	–	–	–	–	300
Supervisors (Note (ii))						
Ms. Liao Yihong (廖益虹)	–	–	–	–	1,002	1,002
Ms. Song Hongmei (宋宏梅)	–	917	330	22	348	1,617
Ms. Yang Qiuyan (楊秋豔)	–	539	150	4	630	1,323
Ms. Qing Yan (卿燕)	–	874	249	22	630	1,775
	1,200	8,369	3,485	122	28,827	42,003

7 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

	Year ended December 31, 2024					
	Directors' fees RMB'000	Basic salaries, housing allowances, other allowances and benefits in kind for the financial year RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Share-based payments RMB'000 (Note (i))	Total RMB'000
Executive Director						
Mr. Ge Junyou (葛均友)	–	5,347	960	75	18,137	24,519
Mr. Wang Jingyi (王晶翼) (resigned in June 2024)	–	1,652	317	58	–	2,027
Non-executive Directors						
Mr. Liu Gexin (劉革新)	–	–	–	–	–	–
Mr. Liu Sichuan (劉思川)	–	–	–	–	–	–
Mr. Lai Degui (賴德貴) (appointed in June 2024)	–	–	–	–	1,783	1,783
Mr. Feng Hao (馮昊)	–	–	–	–	2,633	2,633
Mr. Zeng Xuebo (曾學波)	–	–	–	–	–	–
Mr. Li Dongfang (李東方)	–	–	–	–	–	–
Independent Non-executive Directors						
Mr. Zheng Qiang (鄭強)	300	–	–	–	–	300
Mr. Tu Wenwei (涂文偉)	300	–	–	–	–	300
Ms. Jin Jinping (金錦萍)	300	–	–	–	–	300
Ms. Li Yuedong (李越冬)	300	–	–	–	–	300
Supervisors						
Ms. Liao Yihong (廖益虹)	–	–	–	–	2,145	2,145
Ms. Song Hongmei (宋宏梅)	–	1,802	482	45	396	2,725
Ms. Yang Qiuyan (楊秋豔)	–	1,057	300	9	715	2,081
Ms. Qing Yan (卿燕)	–	1,783	491	45	736	3,055
Mr. Lai Degui (賴德貴) (resigned in May 2024)	–	–	–	–	850	850
Mr. Wan Peng (萬鵬) (resigned in May 2024)	–	–	–	–	–	–
	1,200	11,641	2,550	232	27,395	43,018

Notes:

(i) These represent the estimated value of restricted share units granted to the directors and supervisors under the Company's restricted share unit scheme. The value of these restricted share units is measured according to the Group's accounting policies for share-based payment transactions as set out in note 1(q)(ii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting. The details of share-based payment, including the principal terms and number of options granted, are disclosed in note 23.

(ii) The board of supervisors of the Company was cancelled in June 2025 pursuant to the resolutions of annual general meeting approved on June 20, 2025.

7 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

During the years ended December 31, 2024 and 2025, no emoluments was paid by the Group to the directors, supervisors or any of the five highest paid individuals set out in note 8 below as an inducement to join or upon joining the Group or as compensation for loss of office. No director or supervisor has waived for agreed to waive any emoluments during the year.

During the years ended December 31, 2024 and 2025, Mr. Liu Gexin and Mr. Liu Sichuan and for the period from January 1, 2024 to May 31, 2024 Mr. Wan Peng were not paid directly by the Group but received emoluments from the Group's holding company, in respect of their services to the larger group which includes the Group. No apportionment has been made as the qualifying services provided by them to the Group are incidental to their responsibilities to the larger group.

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one (2024: one) is a director whose emoluments is disclosed in note 7. The aggregate emoluments in respect of the other four (2024: four) individuals are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Basic salaries, housing allowances, other allowances and benefits in kind for the financial year	**15,126**	20,291
Discretionary bonuses	**3,920**	4,602
Share-based payments	**50,172**	51,747
Retirement scheme contributions	**207**	292
	69,425	76,932

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Year ended December 31,	
	2025	2024
	Number of Individuals	Number of Individuals
HKD8,000,001 – HKD8,500,000	**–**	1
HKD12,500,001 – HKD13,000,000	**1**	1
HKD15,500,001 – HKD16,000,000	**1**	–
HKD16,000,001 – HKD16,500,000	**–**	1
HKD20,000,001 – HKD20,500,000	**–**	1
HKD20,500,001 – HKD21,000,000	**1**	–
HKD26,500,001 – HKD27,000,000	**1**	–

9 OTHER COMPREHENSIVE INCOME

	Year ended December 31,					
	2025			2024		
	Before-tax amount	**Tax expense**	**Net-of-tax amount**	Before-tax amount	Tax expense	Net-of-tax amount
Exchange differences on translation of financial statements of overseas subsidiaries	**(7,749)**	**–**	**(7,749)**	3,537	–	3,537

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the year attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year, calculated as follows.

(i) Loss attributable to ordinary equity shareholders of the Company used in basic loss per share calculation:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss for the year attributable to ordinary equity shareholders of the Company for the purpose of basic loss per share	**(381,971)**	(266,766)

(ii) Weighted average number of shares

	Year ended December 31,	
	2025	2024
Issued ordinary shares at January 1	**227,267,969**	219,195,499
Effect of issuance of new shares	**3,275,167**	2,452,086
Weighted average number of ordinary shares at December 31	**230,543,136**	221,647,585

(b) Diluted loss per share

No adjustment has been made to the basic loss per share presented for the year ended December 31, 2025 and 2024 as the Group had no potentially dilutive ordinary shares in issue during those periods.

11 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

	Buildings RMB'000	Machinery and equipment RMB'000	Furniture, fixtures and others RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At January 1, 2024	294,400	212,079	50,182	14,454	119,986	691,101
Purchases	–	20,932	4,372	–	8,502	33,806
Transfer from construction in progress	–	38,367	–	2,013	(40,380)	–
Exchange adjustments	–	–	3	3	–	6
Disposals	–	(1,304)	(126)	–	–	(1,430)
Others	(304)	–	–	–	–	(304)
At December 31, 2024 and January 1, 2025	**294,096**	**270,074**	**54,431**	**16,470**	**88,108**	**723,179**
Purchases	**–**	**36,418**	**35,962**	**135**	**21,446**	**93,961**
Transfer from construction in progress	**9,588**	**2,172**	**513**	**–**	**(12,273)**	**–**
Exchange adjustments	**–**	**(1)**	**(5)**	**(10)**	**–**	**(16)**
Disposals	**–**	**(651)**	**(149)**	**–**	**–**	**(800)**
At December 31, 2025	**303,684**	**308,012**	**90,752**	**16,595**	**97,281**	**816,324**

	Buildings RMB'000	Machinery and equipment RMB'000	Furniture, fixtures and others RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated depreciation						
At January 1, 2024	(925)	(63,532)	(12,179)	(6,682)	–	(83,318)
Charge for the year	(11,237)	(24,059)	(5,096)	(5,482)	–	(45,874)
Exchange adjustments	–	–	(3)	(3)	–	(6)
Disposals	–	725	116	–	–	841
At December 31, 2024 and January 1, 2025	**(12,162)**	**(86,866)**	**(17,162)**	**(12,167)**	**–**	**(128,357)**
Charge for the year	**(11,435)**	**(26,859)**	**(12,014)**	**(2,438)**	**–**	**(52,746)**
Exchange adjustments	**–**	**1**	**5**	**10**	**–**	**16**
Disposals	**–**	**532**	**136**	**–**	**–**	**668**
At December 31, 2025	**(23,597)**	**(113,192)**	**(29,035)**	**(14,595)**	**–**	**(180,419)**
Net book value:						
At December 31, 2025	**280,087**	**194,820**	**61,717**	**2,000**	**97,281**	**635,905**
At December 31, 2024	281,934	183,208	37,269	4,303	88,108	594,822

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Land use rights RMB'000	Properties leased for own use RMB'000	Machinery and equipment leased for own use RMB'000	Total RMB'000
Cost:				
At January 1, 2024	43,660	30,038	96,893	170,591
Additions	–	25,666	95,760	121,426
Disposals	–	(20,390)	(96,894)	(117,284)
Exchange adjustments	–	9	–	9
At December 31, 2024 and January 1, 2025	**43,660**	**35,323**	**95,759**	**174,742**
Additions	**–**	**4,921**	**–**	**4,921**
Exchange adjustments	**–**	**(20)**	**–**	**(20)**
At December 31, 2025	**43,660**	**40,224**	**95,759**	**179,643**
Accumulated depreciation				
At January 1, 2024	(5,918)	(15,127)	(64,596)	(85,641)
Charge for the year	(875)	(9,923)	(32,298)	(43,096)
Disposals	–	20,390	96,894	117,284
Exchange adjustments	–	(6)	–	(6)
At December 31, 2024 and January 1, 2025	**(6,793)**	**(4,666)**	**–**	**(11,459)**
Charge for the year	**(875)**	**(12,811)**	**(31,920)**	**(45,606)**
Exchange adjustments	**–**	**13**	**–**	**13**
At December 31, 2025	**(7,668)**	**(17,464)**	**(31,920)**	**(57,052)**
Net book value:				
At December 31, 2025	**35,992**	**22,760**	**63,839**	**122,591**
At December 31, 2024	36,867	30,657	95,759	163,283

The analysis of expense items in relation to leases recognized in the Group's profit or loss is as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Land use rights, carried at depreciated cost	**875**	875
Properties leased for own use, carried at depreciated cost	**12,811**	9,923
Machinery and equipment leased for own use, carried at depreciated cost	**31,920**	32,298
	45,606	43,096
Interest expenses on lease liabilities (note 5(a))	**6,158**	2,288
Expense relating to short-term leases	**1,274**	1,524

None of the leases includes variable lease payments. Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 18(e) and 21, respectively.

13 INVESTMENT IN SUBSIDIARIES

The following list contains all subsidiaries of the Company as of December 31, 2025. The class of shares held is ordinary unless otherwise stated.

Company name	Date of incorporation/ establishment	Place of incorporation/ establishment and operation	Particulars of issued and paid-up capital	Debt securities	Effective interest rate held by the Group As at December 31, 2025	2024	Principal activities
Sichuan Konas Pharmaceutical Co., Ltd. 四川科納斯製藥有限公司 (notes (i))	September 30, 2016	Chinese mainland	RMB4,000,000/ RMB4,000,000	N/A	**100%**	100%	Research and development
KLUS PHARMA INC.	October 31, 2014	The USA	USD100/USD100	N/A	**100%**	100%	Research and development
Sichuan Kelun-Biotech Biopharmaceutical Target Drugs Research Centre Co., Ltd.四川科倫博泰生物靶向藥物工程研究中心有限公司 (notes (i))	March 30, 2023	Chinese mainland	RMB100,000,000/ RMB1,000	N/A	**100%**	100%	Research and development
Kelun-Biotech Hong Kong Co., Limited	October 27, 2023	Hong Kong	HKD1,000,000/ 1,000,000 shares	N/A	**100%**	100%	Business development

Notes:

(i). The official names of the entities are in Chinese. The English translation of the names is for reference only. The entity is a limited liability company under the law of the PRC.

All companies comprising the Group have adopted December 31 as their financial year end date.

14 OTHER INVESTMENTS

(a) Financial assets measured at FVPL

	As at December 31, 2025 RMB'000	2024 RMB'000
Wealth management products issued by banks	**935,310**	1,448,319

As at December 31, 2024 and 2025, the balance of financial assets measured at FVPL represents wealth management product issued by the banks in the PRC with a floating return which will be paid together with the principal on the maturity date.

The analysis on the fair value measurement of the above financial assets is disclosed in note 26(e).

(b) Financial assets measured at amortized cost

	As at December 31, 2025 RMB'000	2024 RMB'000
Certificates of deposit	**292,574**	283,979

14 OTHER INVESTMENTS (continued)

(b) Financial assets measured at amortized cost (continued)

The Group purchases certificates of deposit from the bank with the terms that the Group could sell them to others after six months from initial acquisition day. The annual interest rates of these deposits are fixed and ranged from 3.10% to 3.25% per annum. As the Group manages the above financial products with the objective of the collection of contractual cash flows, it was recognized as financial assets measured at amortized cost in the consolidated financial statements.

(c) Financial assets measured at FVOCI

	As at December 31, 2025 RMB'000	2024 RMB'000
Unlisted investment	**70,080**	–

During the year ended December 31, 2025, the Group subscribed 1,594,897 series A preferred shares in Windward Bio Group AG at a consideration of USD10,000,000 pursuant to the out-Licence Agreement and Shares Delivery Agreement (the "Agreements") entered into by the Company, Windward Bio AG and a third party. The series A preferred shares are measured at fair value through other comprehensive income as the investment is held for strategic purpose. No dividends were received on this investment during the year ended December 31, 2025.

15 OTHER NON-CURRENT ASSETS

	As at December 31, 2025 RMB'000	2024 RMB'000
Prepayments for property, plant and equipment	**10,234**	14,512

16 INVENTORIES

	As at December 31, 2025 RMB'000	2024 RMB'000
Raw materials	**66,575**	78,655
Low-value consumables	**6,341**	5,000
Work in progress	**133,709**	24,848
Finished goods	**34,319**	2,003
	240,944	110,506

16 INVENTORIES (continued)

(a) The analysis of the amount of inventories recognized as an expense and included in profit or loss is as follows:

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Carrying amount of inventories sold	**58,646**	39,561
Carrying amount of inventories utilised in research and development activities	**85,204**	153,856
	143,850	193,417

17 TRADE AND OTHER RECEIVABLES

	As at December 31, 2025 RMB'000	2024 RMB'000
Trade receivables	**94,475**	57,842
Other receivables	**4,357**	12,083
Value Added Tax ("VAT") recoverable	**189,060**	171,243
Prepaid Tax	**–**	2,085
Prepayments	**57,646**	60,475
	345,538	303,728

As of the end of the reporting periods, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
Within 3 months	**94,475**	57,842

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

		As at December 31, 2025 RMB'000	2024 RMB'000
Cash at bank		**3,331,474**	1,343,353
Less: restricted bank deposits	(i)	**(87,677)**	(6,850)
Cash and cash equivalents in the consolidated statement of financial position		**3,243,797**	1,336,503

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(a) Cash and cash equivalents comprise: (continued)

(i) As at December 31, 2025, restricted bank deposits represent:

- pledged deposits of RMB14,268,000 (2024: RMB6,850,000) for issuance of bills payable with the maturity date within six months; and
- restricted bank deposits of RMB73,409,000 (2024: nil) received from an independent third party and the amount will be released when the Company fulfils certain obligations as set out in the announcement of the Company dated December 16, 2025 and the corresponding amounts were recorded as settlement received in advance (note 20).

(b) Reconciliation of loss before taxation to cash used in operations:

	Note	Year ended December 31, 2025 RMB'000	2024 RMB'000
Loss before taxation		**(355,780)**	(142,545)
Adjustments for:			
Depreciation of property, plant and equipment	5(c)	**52,746**	45,874
Depreciation of right-of-use assets	5(c)	**45,606**	43,096
Amortization of intangible assets	5(c)	**2,044**	2,416
Finance costs	5(a)	**6,158**	3,796
Net loss on disposal of property, plant and equipment	4	**123**	146
Interest income on financial assets measured at amortised cost	4	**(8,716)**	(10,260)
Net realized and unrealized gain on financial assets measured at FVPL	4	**(24,131)**	(21,547)
Equity-settled share-based payment expenses	5(b)	**170,695**	148,285
Net foreign exchange losses/(gains)	4	**46,267**	(17,791)
Changes in working capital:			
Increase in inventories		**(130,438)**	(47,474)
Increase in financial assets measured at FVOCI	26(e)	**(70,080)**	–
Increase in trade and other receivables		**(41,807)**	(88,967)
Decrease/(increase) in amounts due from related parties		**146**	(1,637)
(Increase)/decrease in restricted bank deposits		**(80,827)**	33,143
Increase/(decrease) in trade and other payables		**271,360**	(50,518)
Increase/(decrease) in deferred income		**8,343**	(146)
Increase/(decrease) in amounts due to related parties		**8,524**	(3,103)
Decrease in contract liabilities		**(127,248)**	(322,538)
Cash used in operating activities		**(227,015)**	(429,770)

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(c) Major non-cash transactions

As disclosed in note 14(c), the Group subscribed 1,594,897 series A preferred shares in Windward Bio Group AG at the fair value of USD10,000,000 as part of the consideration pursuant to the Agreements.

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Lease liabilities RMB'000 (note 21)
At January 1, 2024	59,919
Changes from financing cash flows:	
Capital element of lease rentals paid	(54,601)
Interest element of lease rentals paid	(2,288)
Total changes from financing cash flows	(56,889)
Exchange adjustments	3
Other changes:	
Increase in lease liabilities from entering into new leases during the year	121,426
Interest expenses (note 5(a))	2,288
Total other changes	123,714
At December 31, 2024 and January 1, 2025	126,747
Changes from financing cash flows:	
Capital element of lease rentals paid	(43,215)
Interest element of lease rentals paid	(6,158)
Total changes from financing cash flows	(49,373)
Exchange adjustments	(9)
Other changes:	
Increase in lease liabilities from entering into new leases during the year	4,921
Interest expenses (note 5(a))	6,158
Total other changes	11,079
At December 31, 2025	88,444

18 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (continued)

(e) Total cash outflow for leases

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Within operating cash flows	**1,274**	1,524
Within financing cash flows	**49,373**	56,889
	50,647	58,413

19 CONTRACT LIABILITIES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Receipts in advance	**258,033**	312,375

The Group receives upfront payments before the provision of research and development service, and this will give rise to contract liabilities at the start of a contract, until the revenue recognized from provision of research and development service exceeds the amount of the upfront payments. The amount of the upfront payments was negotiated on a case-by-case basis with the respective customers.

Movements in contract liabilities

	2025	2024
	RMB'000	RMB'000
Balance at January 1	**312,375**	510,692
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	**(312,375)**	(510,692)
Increase in contract liabilities as a result of receipts in advance	**258,033**	312,375
Balance at December 31	**258,033**	312,375

All of contract liabilities are expected to be recognized as income within one year.

20 TRADE AND OTHER PAYABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables	**355,458**	246,687
Bills payable	**53,452**	35,810
Accrued payroll and benefits	**184,530**	156,341
Other taxes payable	**10,002**	5,455
Settlement received in advance (note 18(a))	**73,409**	–
Other payables	**7,667**	2,539
	684,518	446,832

As of the end of the reporting periods, the ageing analysis of trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	**388,301**	214,208
1 to 2 years	**19,694**	53,439
2 to 3 years	**487**	13,993
More than 3 years	**428**	857
	408,910	282,497

21 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of each year:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Within 1 year	**44,401**	41,842
After 1 year but within 2 years	**43,891**	42,745
After 2 years but within 5 years	**152**	42,160
	44,043	84,905
	88,444	126,747

22 DEFERRED INCOME

	As at December 31, 2025 RMB'000	2024 RMB'000
Government grants	**72,938**	64,595

Deferred income of the Group mainly represents government grants received for the construction of property, plant and equipment, which would be recognized as "other net income" on a straight-line basis over the expected useful lives of the relevant assets.

23 EQUITY SETTLED SHARE-BASED TRANSACTIONS

Restricted Share Unit Scheme

Pursuant to a written shareholders' resolution of the Company passed on May 29, 2020, a Restricted Share Unit ("RSU") Scheme ("the Scheme") was adopted for purpose of providing incentives to eligible employees of the Group. The RSUs would be granted to eligible employees of the Group through four companies, which act as the share-based payment vehicles, at a discounted price. Subject to grantees' service to the Group through the applicable vesting date, the RSUs shall vest after 4 years from the date of grant. If employments of the grantees are terminated before the RSUs become vested, the unvested RSUs shall be repurchased at the purchase price paid by the grantees when the RSUs were granted plus reasonable interest. Each RSU entitles the holder to own one ordinary share of the Company. Under the Scheme, the maximum number of RSUs granted shall not exceed 30,000,000 units (equivalent to 30,000,000 ordinary shares of the Company).

The terms and fair value of RSUs granted are as follows:

Grant Date (note (i))	Number of RSUs	Price per RSU RMB	Fair value per RSU	Fair value measurement
August 24, 2020	21,319,000	1.18	RMB3.00	Note(ii)
December 30, 2022	5,290,000	1.30	RMB51.70	Note(ii)
February 15, 2023	410,000	1.36	RMB51.70	Note(ii)
April 11, 2023	4,310,000	1.30	RMB51.70	Note(ii)
September 28, 2023	1,650,000	1.36	HKD78.00 (equivalent to RMB71.58)	Note(iii)
March 30, 2024	305,000	1.42	HKD155.00 (equivalent to RMB140.52)	Note(iii)
April 23, 2024	90,000	1.42	HKD147.80 (equivalent to RMB134.04)	Note(iii)
September 30, 2024	300,000	1.42	HKD183.90 (equivalent to RMB165.84)	Note(iii)
December 6, 2024	150,000	1.42	HKD184.20 (equivalent to RMB170.05)	Note(iii)
May 21, 2025	420,000	1.42	HKD336.80 (equivalent to RMB309.48)	Note(iii)

Note:

(i) The grant date is the date on which employees accepted the terms and conditions of the RSUs offered by the Group.

(ii) For these RSUs granted, the fair value was determined with reference to the price per share in equity financing transaction with third parties of the Company close to the grant date.

(iii) For these RSUs granted, the fair value was determined by the closing market share price of the grant date.

23 EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued)

Restricted Share Unit Scheme (continued)

(a) Movements in the number of RSUs are as follows:

	Number of RSUs	
	2025	2024
At January 1	**23,866,250**	23,591,250
Granted during the year	**420,000**	845,000
Forfeited during the year	**(350,000)**	(570,000)
Exercised during the year	**(12,871,250)**	–
At December 31	**11,065,000**	23,866,250

(b) Equity-settled share-based payment expenses recognized in the consolidated statements of profit or loss during the year:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	**64,930**	66,953
Administrative expenses	**67,941**	58,349
Cost of sales	**8,917**	14,637
Selling and distribution expenses	**28,907**	8,346
	170,695	148,285

24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Balance at January 1	**(2,085)**	(35,648)
Withholding tax for the year	**26,191**	124,221
Withholding tax paid	**(70,821)**	(90,658)
Withholding tax refunded	**46,715**	–
Balance at December 31	**–**	(2,085)

(b) Deferred tax assets and liabilities not recognized:

In accordance with the accounting policy set out in note 1(r), the Group has not recognized deferred tax assets in respect of cumulative tax losses of RMB5,293,611,000 (2024: RMB4,952,918,000) as it is not probable that future taxable profits against which the losses can be utilized before expiries.

All the tax losses of the Company can be carried forward for a maximum period of ten years pursuant to Notice No.76 issued by the Ministry of Finance and the State Administration of Taxation of the PRC on July 11, 2018, since the Company obtained its certificate of the High Technology Enterprise on December 3, 2020 and October 16, 2023 respectively.

All the tax losses of the Group's PRC subsidiaries can be carried forward for a maximum period of five years.

For the subsidiary in Hong Kong the tax losses do not expire under current tax legislation.

For the subsidiary in the USA the tax losses can be carried forward for a maximum period of twenty years.

25 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of years are set out below:

	Note	Share capital RMB'000	Capital reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2024		219,196	6,072,413	(3,700,178)	2,591,431
Changes in equity for 2024					
Loss for the year		–	–	(252,293)	(252,293)
Issuance of new shares		8,072	1,086,036	–	1,094,108
Equity-settled share-based payment	23(b)	–	148,285	–	148,285
Balance at December 31, 2024 and January 1, 2025		**227,268**	**7,306,734**	**(3,952,471)**	**3,581,531**
Changes in equity for 2025					
Loss for the year		**–**	**–**	**(366,388)**	**(366,388)**
Issuance of new shares		**5,918**	**1,771,516**	**–**	**1,777,434**
Equity-settled share-based payment	23(b)	**–**	**170,695**	**–**	**170,695**
Balance at December 31, 2025		**233,186**	**9,248,945**	**(4,318,859)**	**5,163,272**

(b) Dividends

The directors of the Company did not propose the payment of any dividend during the year (2024: nil).

(c) Share capital

As at December 31, 2024 and 2025, the Company has 227,268 thousand shares and 233,186 thousand shares registered with par value of RMB1 for each share, respectively.

	2025		2024	
	No. of shares ('000)	Amount RMB'000	No. of shares ('000)	Amount RMB'000
Registered share capital, ordinary shares, issued and fully paid				
At January 1	**227,268**	**227,268**	219,196	219,196
Issuance of new shares	**5,918**	**5,918**	8,072	8,072
At December 31	**233,186**	**233,186**	227,268	227,268

25 CAPITAL, RESERVES AND DIVIDENDS (continued)

(c) Share capital (continued)

	2025		2024	
	No. of shares ('000)	**Amount RMB'000**	No. of shares ('000)	Amount RMB'000
Representing				
H shares issued	**162,770**	**162,770**	131,431	131,431
Domestic shares issued	**65,774**	**65,774**	91,195	91,195
Unlisted foreign shares issued*	**4,642**	**4,642**	4,642	4,642
At December 31	**233,186**	**233,186**	227,268	227,268

* Unlisted foreign shares issued mainly represented shares issued by the Company with a nominal value of RMB1.00 each, which are subscribed for in a currency other than RMB.

Note:

(i) On May 16, 2024, the Company issued an aggregate of 3,649 thousand new H shares at an offering price of HK$150 per share pursuant to a placing agreement entered into by the Company and the placing agents (the "Placing I").

The net proceeds (after deducting the commissions and expenses of RMB680 thousand) from the Placing I amounted to approximately HK$541.4 million (equivalent to RMB492,715 thousand), of which RMB3,649 thousand was recorded in share capital and the remaining RMB489,066 thousand was recorded in capital reserves.

(ii) On December 17, 2024, the Company issued an aggregate of 4,423 thousand domestic shares at an offering price of HK$150 per share pursuant to a subscription agreement entered into by the Company and its immediate parent company, Sichuan Kelun Pharmaceutical Co.,Ltd. ("Kelun Pharmaceutical") (the "Subscription").

The net proceeds (after deducting the commissions and expenses of RMB1,184 thousand) from the Subscription amounted to approximately RMB601,393 thousand, of which RMB4,423 thousand was recorded in share capital and the remaining RMB596,970 thousand was recorded in capital reserves.

(iii) On April 25, 2025, the Company converted 25,421 thousand domestic shares into H shares.

(iv) On June 12, 2025, the Company issued an aggregate of 5,918 thousand new H shares at an offering price of HK$331.8 per share pursuant to a placing agreement entered into by the Company and the placing agents (the "Placing II").

The net proceeds (after deducting the commissions and expenses) from the Placing II amounted to approximately HK$1,943.0 million (equivalent to RMB1,777,434 thousand), of which RMB5,918 thousand was recorded in share capital and the remaining RMB1,771,516 thousand was recorded in capital reserves.

25 CAPITAL, RESERVES AND DIVIDENDS (continued)

(d) Nature and purpose of reserves

(i) Capital reserves

The capital reserves comprise the following:

- the amount represents the difference between the consideration received and the par value of the issued shares of the Company;
- the amount related to merger reserves resulted from business combinations in 2020 involving entities under common control;
- the portion of the grant date fair value of unlocked RSUs granted to employees of the Group that has been recognized in accordance with the accounting policy adopted for share-based payments in note 1(q); and
- the amount of financial liabilities arising from financial instruments issued to investors.

(ii) Exchange reserves

The exchange reserves comprise all foreign exchange differences arising from the translation of the financial statements of foreign operation with functional currency other than RMB. The reserves are dealt with in accordance with the accounting policies set out in note 1(t).

(e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

The Group is not subject to externally imposed capital requirements on December 31, 2025.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks, which the Group considers to represent low credit risk.

The Group also expects that there is no significant credit risk associated with trade and other receivables and amounts due from related parties since the counterparties to these financial assets have no history of default.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 9.74% (2024: 10.13%) and 33.04% (2024: 37.30%) of the total trade receivables were due from the Group's largest debtor and five largest debtors respectively.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These take into account the customer's past payment history, financial position and other factors. Trade receivables are due within 60 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases. As the end of the year, the Group did not provide any loss allowance for trade receivables.

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2025					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at December 31, 2025 RMB'000
Lease liabilities	48,457	45,915	154	–	94,526	88,444
Trade and other payables	684,518	–	–	–	684,518	684,518
Amounts due to related parties	17,542	–	–	–	17,542	17,542
	750,517	45,915	154	–	796,586	790,504

	As at December 31, 2024					
	Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at December 31, 2024 RMB'000
Lease liabilities	47,753	46,686	44,141	–	138,580	126,747
Trade and other payables	446,832	–	–	–	446,832	446,832
Amounts due to related parties	8,792	–	–	–	8,792	8,792
	503,377	46,686	44,141	–	594,204	582,371

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from variable-rate cash and cash equivalents, restricted deposits and financial assets measured at FVPL.

(i) Exposure to interest rate risk

The following table details the Group's exposure at the end of each reporting period to interest rate risk.

	As at December 31, 2025		As at December 31, 2024	
	Interest rate	**RMB'000**	Interest rate	RMB'000
Fixed-rate instruments				
Cash and cash equivalents	**4.23%–4.41%**	**287,002**	1.40%–1.80%	658,138
Financial assets measured at amortized cost	**3.10%–3.25%**	**292,574**	3.05%–3.25%	283,979
Lease liabilities	**4.75%**	**(88,444)**	4.75%	(126,747)
		491,132		815,370
Variable-rate instruments				
Cash and cash equivalents	**0.0001%–1.45%**	**2,956,795**	0.0001%–1.15%	678,365
Restricted deposits	**0.05%–1.00%**	**87,677**	0.05%–1.55%	6,850
Financial assets measured at FVPL	**1.90%–2.162%**	**935,310**	0.95%–3.25%	1,448,319
		3,979,782		2,133,534

(ii) Sensitivity analysis

The sensitivity analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. If interest rates had been 100 basis points higher and all other risk variables remained constant, the Group's loss for the year ended December 31, 2025 and accumulated losses as at December 31, 2025 would decrease by RMB39,798,000 (2024: RMB21,335,000). If interest rates had been 100 basis points lower and all other risk variables remained constant, the Group's loss for the year ended December 31, 2025 and accumulated losses as at December 31, 2025 would increase by RMB39,798,000 (2024: RMB21,335,000).

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to cash and cash equivalents and amounts due to related parties that are denominated in a foreign currency, i.e., a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars and Hong Kong dollars. The Group manages this risk as follows:

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year-end date.

	As at December 31, 2025		As at December 31, 2024	
	USD	**HKD**	USD	HKD
Exposure to foreign currencies (expressed in RMB'000)				
Cash and cash equivalents	**328,525**	**–**	3,553	199
Amounts due from subsidiaries	**–**	**1,806**	–	–
Amounts due to subsidiaries	**(243,777)**	**–**	(269,845)	–
	84,748	**1,806**	(266,292)	199

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss for the year and accumulated losses as at December 31, 2025 that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	As at December 31, 2025		As at December 31, 2024	
	Increase/ (decrease) in foreign exchange rates	**Decrease/ (increase) on loss before tax and accumulated losses RMB'000**	Increase/ (decrease) in foreign exchange rates	(Increase)/ decrease on loss before tax and accumulated losses RMB'000
USD	**10%**	**8,475**	10%	(26,629)
	(10%)	**(8,475)**	(10%)	26,629
HKD	**10%**	**181**	10%	20
	(10%)	**(181)**	(10%)	(20)

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' loss for the year and equity measured in the respective functional currencies, translated into RMB at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis during the reporting period.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

IFRS 13, *Fair value measurement* categorises fair value measurements into a three-level hierarchy. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2 valuations: Fair value measured using Level 2 inputs i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table presents the Group's financial assets that are measured at fair value at the end of reporting period:

	Note	As at December 31, **2025** **RMB'000**	2024 RMB'000
Level 3			
Financial assets measured at FVPL	14(a)		
Wealth management products issued by banks		**935,310**	1,448,319
Financial assets measured at FVOCI	14(c)		
Unlisted investment		**70,080**	–

26 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Investment in wealth management products	Discount cash flow method	Interest return rate
Unlisted investment	Back-solve of recent transaction price	Discount for lack of marketability

During the years ended December 31, 2024 and 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The movements during the reporting period in the balance of these Level 3 financial assets of the Group at fair value through profit or loss are as follows:

	2025 RMB'000	2024 RMB'000
Financial assets measured at FVPL		
At January 1	**1,448,319**	633,705
Payment for purchases	**4,530,000**	3,210,000
Changes in fair value recognized in profit or loss during the year	**24,131**	21,547
Redemption	**(5,067,140)**	(2,416,933)
At December 31	**935,310**	1,448,319

	2025 RMB'000	2024 RMB'000
Financial assets measured at FVOCI		
At January 1	**–**	–
Additions	**70,757**	–
Exchange adjustments	**(677)**	–
At December 31	**70,080**	–

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost were not materially different from their fair values as at December 31, 2025 and 2024.

27 COMMITMENTS

Commitments outstanding at December 31, 2025 and 2024 not provided for in the financial statements were as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Contracted for construction in progress	**5,398**	3,600

28 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and supervisors as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Short-term employee benefits	**45,853**	44,315
Contributions to defined contribution retirement plan	**463**	568
Equity-settled share-based payment expenses	**90,975**	65,529
	137,291	110,412

Total remuneration is included in "staff costs" (see note 5(b)).

(b) Identity of related parties

Name of party	Relationship with the Group
Mr. Liu GeXin (劉革新)	Ultimate controlling shareholder
Kelun Pharmaceutical (四川科倫藥業股份有限公司) together with its subsidiaries ("Kelun Group")	Immediate holding company
China Resources Kelun (Sichuan) Medicine Limited ("Kelun Medicine & Trade") (華潤科倫醫藥(四川)有限公司) together with its subsidiaries ("China Resources Kelun Group")	An associate of Mr. Liu Sichuan, a Director of the Company
Sichuan Kelun Doosan Biotechnology Co., Ltd. ("Kelun Doosan") (四川科倫鬥山生物技術有限公司)	A joint venture of Kelun Pharmaceutical
Beijing Yaoshi Technology Co., Ltd. ("Beijing Yaoshi") (北京藥識科技有限公司)	A company controlled by a Director of the Company
Beijing Kuanjian Technology Co., Ltd. ("Beijing Kuanjian") (北京寬見科技有限公司)	A company controlled by the immediate family member of a Director of the Company

28 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Significant related party transactions

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Trade related:		
Provision of R&D services, related equipment and goods to:		
Kelun Group	**7,007**	7,269
Procurement of R&D services from:		
Kelun Group	**10,850**	6,310
Sales of goods to:		
China Resources Kelun Group	**4,765**	506
Procurement of goods from:		
Kelun Group	**102**	11,024
China Resources Kelun Group	**529**	4,035
	631	15,059
Procurement of promotional services from:		
Kelun Group	**8,268**	–
Procurement of PPE from:		
Kelun Group	**558**	5,663
China Resources Kelun Group	**–**	359
	558	6,022
Receiving other miscellaneous services from:		
Kelun Group	**21,724**	17,524
Beijing Yaoshi	**566**	–
Beijing Kuanjian	**11**	–
	22,301	17,524
Interest expense on lease liabilities to Kelun Group	**5,623**	1,943

28 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(d) Balances with related parties

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Amounts due from:		
– Trade Related:		
Kelun Group	**1,160**	2,193
Kelun Doosan	**104**	157
China Resources Kelun Group	**1,531**	571
	2,795	2,921
Amounts due to:		
– Trade Related:		
Kelun Group	**17,467**	8,625
Kelun Doosan	**57**	114
China Resources Kelun Group	**18**	53
	17,542	8,792
Lease liabilities due to:		
Kelun Group	**80,729**	118,369

29 COMPANY-LEVEL STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31, 2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		**548,116**	507,101
Right-of-use assets		**103,569**	144,175
Intangible assets		**1,100**	2,579
Investment in subsidiaries	13	**601,297**	522,472
Amounts due from related parties		**137,081**	131,060
Other non-current assets		**9,751**	14,312
		1,400,914	1,321,699
Current assets			
Inventories		**240,944**	110,506
Trade and other receivables		**337,152**	296,168
Amounts due from related parties		**2,894**	2,921
Financial assets measured at FVPL		**935,310**	1,448,319
Financial assets measured at amortized cost		**292,574**	283,979
Restricted deposits		**87,677**	6,850
Cash and cash equivalents		**3,228,817**	1,332,922
		5,125,368	3,481,665
Current liabilities			
Trade and other payables		**678,131**	436,967
Amounts due to related parties		**269,032**	284,298
Contract liabilities		**258,033**	312,375
Lease liabilities		**44,199**	41,693
		1,249,395	1,075,333
Net current assets		**3,875,973**	2,406,332
Total assets less current liabilities		**5,276,887**	3,728,031
Non-current liabilities			
Lease liabilities		**43,676**	84,905
Deferred income		**69,938**	61,595
		113,614	146,500
NET ASSETS		**5,163,273**	3,581,531
CAPITAL AND RESERVES	25(a)		
Share capital		**233,186**	227,268
Reserves		**4,930,087**	3,354,263
TOTAL EQUITY		**5,163,273**	3,581,531

Approved and authorized for issue by board of directors on March 23, 2026.

Ge Junyou
Executive Director

Zhou Zejian
Chief Financial Officer

30 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

On December 31, 2024 and 2025, the directors consider the immediate parent of the Group to be Kelun Pharmaceutical which is incorporated in the PRC and ultimate controlling party of the Group to be Mr. Liu Gexin. Kelun Pharmaceutical is listed on the Shenzhen Stock Exchange and produces financial statements available for public use.

31 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED DECEMBER 31, 2025

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended December 31, 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: disclosures – Contracts referencing nature-dependent electricity*	1 January 2026
Amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and position of the Group.

FINANCIAL SUMMARY

	For the year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**2,057,920**	1,933,045	1,540,493	803,933	32,322
Cost of sales	**(579,139)**	(659,388)	(781,308)	(276,828)	(20,525)
Other net income/(expense)	**145,243**	139,755	89,809	(4,368)	34,843
Selling and distribution expenses	**(475,252)**	(182,717)	(19,534)	–	–
Administrative expenses	**(178,719)**	(163,310)	(181,877)	(95,303)	(96,174)
Research and development costs	**(1,319,675)**	(1,206,134)	(1,030,966)	(845,984)	(727,670)
Finance costs	**(6,158)**	(3,796)	(84,309)	(148,814)	(112,591)
Income tax	**(26,191)**	(124,221)	(106,442)	(48,735)	–
Loss for the year attributable to equity shareholders of the Company	**(381,971)**	(266,766)	(574,134)	(616,099)	(889,795)

	As at December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	**5,148,635**	3,492,806	2,807,487	332,316	298,341
Current liabilities	**(1,004,494)**	(809,841)	(1,110,004)	(4,167,361)	(3,444,914)
Net current assets/(liabilities)	**4,144,141**	2,682,965	1,697,483	(3,835,045)	(3,146,573)
Non-current assets	**839,910**	775,196	702,268	660,829	514,617
Non-current liabilities	**(116,981)**	(149,500)	(70,254)	(51,970)	(11,930)
Net assets/(liabilities)	**4,867,070**	3,308,661	2,329,497	(3,226,186)	(2,643,886)
Total Equities	**4,867,070**	3,308,661	2,329,497	(3,226,186)	(2,643,886)

"2025 AGM"	the 2025 annual general meeting of the Company
"2025 Equipment Lease Agreement"	the equipment lease agreement, dated January 28, 2025, entered into between the Company and Kelun Pharmaceutical, pursuant to which the Company agreed to lease the Equipment from Kelun Pharmaceutical for a term of three years commencing from January 1, 2025 until December 31, 2027. Details of which are set out in the announcement of the Company dated January 28, 2025
"2025 Promotional Services Framework Agreement"	the promotional services framework agreement dated February 12, 2025 between the Company and Kelun Jiaxun, details of which are set out in the announcement of the Company dated February 12, 2025
"2025 Property Lease Agreement"	the property lease agreement, dated January 28, 2025, entered into between the Company and Kelun Pharmaceutical, pursuant to which the Company agreed to lease the Properties from Kelun Pharmaceutical for a term of three years commencing from January 1, 2025 until December 31, 2027. Details of which are set out in the announcement of the Company dated January 28, 2025
"2025 Share Incentive Scheme"	the share incentive scheme proposed to be approved by the Shareholders at the extraordinary general meeting of the Company convened on December 31, 2025 to approve the proposed adoption of the 2025 Share Incentive Scheme
"2026 Auxiliary R&D Services Framework Agreement"	the auxiliary R&D services framework agreement dated December 15, 2025 between the Company and Kelun Pharmaceutical, details of which are set out in the announcement and circular of the Company dated December 15, 2025
"2026 Procurement and Sale of Equipment and Materials Framework Agreement"	the procurement and sale of equipment and materials framework agreement dated December 15, 2025 between the Company and Kelun Pharmaceutical, details of which are set out in the announcement and circular of the Company dated December 15, 2025
"2026 Promotional Services Framework Agreement"	the promotional services framework agreement dated December 15, 2025 between the Company and Kelun Jiaxun, details of which are set out in the announcement and circular of the Company dated December 15, 2025
"2026 R&D-related Goods Framework Agreement"	the framework agreement in relation to the procurement of R&D-related goods dated January 16, 2026 between the Company and China Resources Kelun and/or its subsidiaries, details of which are set out in the announcement of the Company dated January 16, 2026
"2026 Sales and Distribution Framework Agreement"	the sales and distribution framework agreement dated December 31, 2025 between the Company and China Resources Kelun, details of which are set out in the announcement of the Company dated December 31, 2025
"AACR"	American Association for Cancer Research
"ADC(s)"	antibody drug conjugate(s)

"ADCC"	antibody-dependent cell-mediated cytotoxicity
"Adoption Date"	December 31, 2025
"AIDD"	AI-driven drug design
"Articles of Association"	the articles of association of the Company
"ASCO"	American Society of Clinical Oncology
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Auxiliary R&D Equipment"	auxiliary R&D and other miscellaneous equipment and materials, which include, without limitation, laboratory equipment, instruments and machines, engineering materials, reagents and consumables
"Auxiliary R&D Services"	auxiliary R&D services, which include (1) the procurement of auxiliary R&D services, including but not limited to process development and optimization, sample purification, crystallization screening, GMP batch release testing, packing material releasing testing and production of raw materials and formulation, from Kelun Pharmaceutical and/or the Remaining Kelun Group, and (2) the provision of auxiliary R&D services, including but not limited to preclinical toxicology, pharmacology studies (including toxicology, pharmacokinetics, pharmacodynamic and other screening studies), clinical biostatistics, data management, quality control and clinical audit to Kelun Pharmaceutical and/or the Remaining Kelun Group
"Award Share(s)"	H Share(s) underlying a Share Award
"BC"	breast cancer
"BICR"	blinded independent central review
"Board of Directors" or "Board"	our board of Directors
"Board or its Delegate(s)"	means the Board or an administration committee set up to administer the 2025 Share Incentive Scheme
"bsAb(s)"	bispecific antibodies
"bsADC"	bispecific ADC(s)
"CBCS"	China Anti-Cancer Association Committee of Breast Cancer Society
"CC"	cervical cancer
"CDE"	Center for Drug Evaluation

"Cetuximab N01 Injection"	Cetuximab N01 Injection (formerly A140) (brand name: 达泰莱®), a recombinant epidermal growth factor receptor (EGFR) human-mouse chimeric monoclonal antibody developed by the Company
"CG Code"	the "Corporate Governance Code" as contained in Appendix C1 to the Listing Rules
"cGMP"	current good manufacturing practice
"China", "Chinese mainland" or "PRC"	the People's Republic of China, which for the purpose of this annual report and for geographical reference only and except where the context requires, excludes Hong Kong, Macau and Taiwan
"China Kelun Resources"	China Resources Kelun (Sichuan) Medicine Limited (華潤科倫醫藥(四川)有限公司) (former name: Sichuan Kelun Medicine & Trade Group Co. Ltd. (四川科倫醫藥貿易集團有限公司)), an associate of Mr. LIU Sichuan and a connected person to us
"CLDN18.2"	Claudin 18.2, a member of the Claudin protein family
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"CMC"	chemistry, manufacturing and controls, also commonly referred to as process development, which covers the various procedures used to assess the physical and chemical characteristics of drug products, and to ensure their quality and consistency during manufacturing
"Companies Ordinance"	the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (as amended from time to time)
"Company", "our Company", "the Company", "Kelun-Biotech", "we" or "us"	Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (四川科倫博泰生物醫藥股份有限公司), a joint stock company established in the PRC with limited liability on November 22, 2016 and the H Shares of which are listed on the Stock Exchange (stock code: 6990) and which includes its subsidiaries (from time to time) where the context so requires
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"continuing connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Kelun Pharmaceutical, Kelun International Development Co., Limited (科倫國際發展有限公司), the Employee Incentive Platforms and Mr. LIU Gexin
"COPD"	chronic obstructive pulmonary disease
"Core Products"	has the meaning ascribed thereto in Chapter 18A of the Listing Rules; for the purpose of this annual report, our Core Products refer to SKB264 and A166

"CRC"	colorectal cancer
"CRO"	contract research organization
"CRPC"	castration-resistant prostate cancer
"CSCO"	Chinese Society of Clinical Oncology
"CSOBO"	Chinese Medical Association Chinese Society of Oncology – Breast Oncology
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"DAC(s)"	degrader-antibody conjugate(s)
"Date of Grant"	The date on which the Board or its Delegate(s) resolves to make a grant of an Award Share to the participant of the 2025 Share Incentive Scheme
"DAR"	drug-to-antibody ratio, the average number of drugs conjugated to the antibodies
"DC(s)"	drug conjugate(s)
"DCR"	disease control rate, the total proportion of patients who demonstrate a response to treatment, equal to the sum of complete responses (CR), partial responses (PR) and stable disease (SD)
"Director(s)"	the director(s) of the Company
"Domestic Share(s)"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
"DoR"	duration of response
"EC"	endometrial carcinoma
"EGFR"	epidermal growth factor receptor
"Ellipses Pharma"	Ellipses Pharma Limited
"Employee Incentive Platforms"	Chengdu Kelun Huicai Enterprise Management Center Limited Partnership (成都科倫匯才企業管理中心(有限合夥)), Chengdu Kelun Huide Enterprise Management Center Limited Partnership (成都科倫匯德企業管理中心(有限合夥)), Chengdu Kelun Huineng Enterprise Management Center Limited Partnership (成都科倫匯能企業管理中心(有限合夥)), and Chengdu Kelun Huizhi Enterprise Management Center Limited Partnership (成都科倫匯智企業管理中心(有限合夥))
"ESMO"	European Society for Medical Oncology
"ET"	endocrine therapy

"FAS"	full analysis set
"FDA"	the United States Food and Drug Administration
"FIC"	first-in-class
"first/second/third-line" or "1/2/3L"	the first/second/third line treatment
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market, research and consulting company
"FXI/FXIa"	factor XI, a type of blood protein playing a role in aiding the blood to clot. Factor XIa, one of the enzymes of the coagulation cascade. FXI is the zymogen form of FXIa
"GC"	gastric cancer
"GEA"	gastroesophageal adenocarcinoma
"GEJC"	gastroesophageal junction cancer
"GI"	gastrointestinal
"Global Offering"	the Hong Kong Public Offering and the International Offering (each as defined in the Prospectus)
"GMP"	the Good Manufacturing Practice of Medical Devices (《醫療器械生產質量管理規範》)
"Greater China"	the PRC, Hong Kong, Macau and Taiwan
"Group", "our Group" or "the Group"	our Company and its subsidiaries
"GU"	genitourinary
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"Harbour BioMed"	Harbour BioMed Therapeutics Limited, an indirect wholly owned subsidiary of HBM Holdings Limited (和鉑醫藥控股有限公司), a company listed on the Stock Exchange (stock code: 02142)
"HER2"	human epidermal growth factor receptor 2
"HK$" or "HKD"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HNSCC"	head and neck squamous cell carcinoma

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HR"	hormone receptor
"iADC(s)"	immunostimulatory ADC(s)
"IFRS"	International Financial Reporting Standards
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
"INV"	investigator
"IRC"	independent review committee
"June 2025 Placing"	the placing of 5,918,000 new H Shares by the Placing Agents on the terms and subject to the conditions of the placing agreement entered into between the Company and the Placing Agents on June 5, 2025
"Kelun Group"	Kelun Pharmaceutical and all of its subsidiaries
"Kelun Huicai"	Chengdu Kelun Huicai Enterprise Management Center Limited Partnership (成都科倫匯才企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
"Kelun Huide"	Chengdu Kelun Huide Enterprise Management Center Limited Partnership (成都科倫匯德企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
"Kelun Huineng"	Chengdu Kelun Huineng Enterprise Management Center Limited Partnership (成都科倫匯能企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
"Kelun Huizhi"	Chengdu Kelun Huizhi Enterprise Management Center Limited Partnership (成都科倫匯智企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
"Kelun International"	Kelun International Development Co., Limited (科倫國際發展有限公司), a whollyowned subsidiary of Kelun Pharmaceutical incorporated in Hong Kong, one of our Controlling Shareholders upon Listing
"Kelun Jingchuan"	Chengdu Kelun Jingchuan Technology Co., Ltd. (成都科倫晶川科技有限公司), a limited liability company established under the laws of PRC on August 17, 2016 and is a wholly-owned subsidiary of Kelun Pharmaceutical

"Kelun Pharmaceutical"	Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002422), one of our Controlling Shareholders
"Key Products"	SKB315, SKB410/MK-3120, SKB518, tagitanlimab, Cetuximab N01 and A400/EP0031
"Kelun Research Institute"	Sichuan Kelun Pharmaceutical Research Institute Co., Ltd. (四川科倫藥物研究院有限公司), a limited liability company established under the laws of PRC on October 16, 1998 and a wholly-owned subsidiary of Kelun Pharmaceutical
"KLUS PHARMA"	KLUS PHARMA INC., a corporation with limited liability incorporated in the State of New Jersey, the United States on October 31, 2014 and a wholly-owned subsidiary of our Company
"Latest Practicable Date"	April 10, 2026, being the latest practicable date prior to the publication of this annual report for the purpose of ascertaining certain information contained herein
"LC"	lung cancer
"Listing"	the listing of our H Shares on the Stock Exchange on July 11, 2023
"Listing Date"	July 11, 2023
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"mAb(s)"	monoclonal antibody(ies)
"Macau"	the Macau Special Administrative Region of the PRC
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with Growth Enterprise Market of the Stock Exchange
"May 2024 Placing"	the placing of 3,648,600 new H Shares by the placing agents, namely, Goldman Sachs (Asia) L.L.C., Citigroup Global Markets Limited and J.P. Morgan Securities (Asia Pacific) Limited, on the terms and subject to the conditions of the placing agreement entered into between the Company and the placing agents on May 8, 2024
"mCRC"	metastatic colorectal cancer
"Model Code"	the "Model Code for Securities Transactions by Directors of Listed Issuers" set out in Appendix C3 to the Listing Rules
"MSD"	Merck Sharp & Dohme LLC together with its affiliates
"MTC"	medullary thyroid cancer
"NDA"	new drug application

"NMPA"	the National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"NPC"	nasopharyngeal cancer
"NSCLC"	non-small cell lung cancer
"OC"	ovarian cancer
"Offer"	the offer of the grant of a Share Award made in accordance with the 2025 Share Incentive Scheme
"ORR"	objective response rate, the proportion of patients with a complete response or partial response to treatment
"OS"	overall survival, the length of time from either the date of diagnosis or the start of treatment for a disease that patients diagnosed with the disease are still alive, used in clinical trials as a measurement of a drug's effectiveness
"Over-Allotment Option"	the over-allotment option which had been granted by the Company to the relevant underwriters to allot and issue up to an aggregate of 3,366,900 additional H Shares, representing 15% of the offer shares initially available under the Global Offering
"pCR"	pathological complete response
"PD-1"	programmed cell death protein 1
"PD-L1"	PD-1 ligand 1
"PD-(L)1"	PD-1 or PD-L1
"PFS"	progression-free survival, the length of time during and after the treatment that a patient lives without the disease getting worse
"Placing"	the placing of 3,648,600 new H Shares by the Placing Agents on the terms and subject to the conditions of the placing agreement entered into between the Company and the Placing Agents on May 8, 2024
"Placing Agents"	Goldman Sachs (Asia) L.L.C., Citigroup Global Markets Limited and J.P. Morgan Securities (Asia Pacific) Limited
"Pre-IPO Employee Incentive Scheme"	the pre-IPO employee incentive scheme of the Company approved and adopted by the Board in 2016, as amended from time to time
"Pre-IPO Investments"	the Series A Financing and Series B Financing as defined in the Prospectus
"Prospectus"	the prospectus issued by the Company dated June 29, 2023

"PROTAC"	proteolysis targeting chimera, a heterobifunctional small molecule composed of two active domains and a linker, capable of removing specific unwanted proteins
"RAS"	rat sarcoma virus
"RDC(s)"	radionuclide drug conjugate(s)
"Remaining Kelun Group"	Kelun Pharmaceutical and its subsidiaries, excluding the Group
"Reporting Period"	the year ended December 31, 2025
"RET"	rearranged during transfection, a proto-oncogene, i.e., a gene that promotes cancer formation when altered by mutations or rearrangements. RET alterations have been reported to be a major oncogenic driver in about 2% of all cancers, most notably in NSCLC and MTC
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)"	restricted share unit(s)
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended from time to time)
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Shares
"Share Award(s)"	award(s) of RSU(s) granted under the 2025 Share Incentive Scheme
"Sichuan Konas"	Sichuan Konas Pharmaceutical Co., Ltd. (四川科納斯製藥有限公司), a limited liability company established in the PRC on September 30, 2016 and a whollyowned subsidiary of our Company
"SPFD"	Sichuan Provincial Finance Department
"SPTSSTA"	Sichuan Provincial Tax Service, State Taxation Administration
"STDSP"	Science & Technology Department of Sichuan Province
"STING"	stimulator of interferon genes
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of 4,423,870 new Domestic Shares by Kelun Pharmaceutical (as subscriber) pursuant to the terms and conditions of the subscription agreement entered into between the Company and the Kelun Pharmaceutical on May 8, 2024

"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of the Supervisory Committee of the Company, which was abolished on June 20, 2025
"Supervisory Committee"	the supervisory committee of the Company, which was abolished on June 20, 2025
"TAA"	tumor-associated antigen, an antigen with elevated level on tumor cells and lower levels on normal cells
"TAA-IO bsAbs"	tumor-associated-immuno-oncology bispecific antibodies, a type of bispecific antibodies with dual targeting ability against a certain tumor-associated antigen on tumor cells and a certain immune-oncology antigen involved in antitumor immune response, such as an immune checkpoint protein
"TKI"	tyrosine kinase inhibitor
"TNBC"	triple-negative breast cancer
"TPC"	treatment of physician's choice
"TROP2"	human trophoblast cell-surface antigen 2, which is a transmembrane protein frequently over-expressed in many types of solid tumors
"TSLP"	thymic stromal lymphopoietin
"UC"	urothelial cancer
"Unlisted Foreign Share(s)"	unlisted ordinary Share(s) issued by the Company, with a nominal value of RMB1.00 each, which are subscribed for in a currency other than RMB
"Unlisted Share(s)"	Domestic Share(s) and/or Unlisted Foreign Share(s)
"US" or "U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States dollars, the lawful currency of the United States
"Windward Bio"	Windward Bio AG
"%"	per cent