绿竹生物
LUZHU BIOTECH

Beijing Luzhu Biotechnology Co., Ltd.
北京綠竹生物技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code : 2480

2025 | Annual Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. KONG Jian (孔健) *(Chairman)*
Ms. JIANG Xianmin (蔣先敏) *(retired as executive Director with effect from September 15, 2025)*
Ms. PENG Ling (彭玲) *(appointed with effect from September 15, 2025; ceased to be a Supervisor with effective from September 15, 2025)*
Ms. ZHANG Yanping (張琰平)

Non-executive Directors

Mr. MA Biao (馬驫)
Mr. KONG Shuangquan (孔雙泉)

Independent non-executive Directors

Ms. HOU Aijun (侯愛軍) *(appointed as lead independent non-executive Director with effect from June 27, 2025)*
Mr. LEUNG Wai Yip (梁偉業)
Mr. LIANG Yeshi (梁冶矢)

SUPERVISORS

Mr. CHEN Liang (陳亮) *(Chairman)*
Ms. KONG Xi (孔茜)
Ms. WANG Wei (王蔚) *(appointed with effect from September 15, 2025)*

JOINT COMPANY SECRETARIES

Mr. LIU Siyu (劉斯宇)
Ms. YUEN Wing Yan, Winnie (袁潁欣) *(FCG HKFCG(PE)) (resigned with effect from March 18, 2026)*
Ms. LAI Ho Yan (賴浩恩) *(ACG, HKACG) (appointed with effect from March 18, 2026)*

AUTHORIZED REPRESENTATIVES

Mr. KONG Jian (孔健)
Ms. YUEN Wing Yan, Winnie (袁潁欣) *(FCG HKFCG(PE)) (resigned with effect from March 18, 2026)*
Ms. LAI Ho Yan (賴浩恩) *(ACG, HKACG) (appointed with effect from March 18, 2026)*

AUDIT COMMITTEE

Ms. HOU Aijun (侯愛軍) *(Chairlady)*
Mr. KONG Shuangquan (孔雙泉)
Mr. LEUNG Wai Yip (梁偉業)

REMUNERATION COMMITTEE

Mr. LIANG Yeshi (梁冶矢) *(Chairman)*
Mr. KONG Jian (孔健)
Mr. LEUNG Wai Yip (梁偉業)

NOMINATION COMMITTEE

Mr. KONG Jian (孔健) *(Chairman)*
Mr. LIANG Yeshi (梁冶矢)
Ms. HOU Aijun (侯愛軍)

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

LEGAL ADVISORS

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3401, Alexandra House
18 Chater Road, Central
Hong Kong

As to PRC law
Commerce & Finance Law Offices
12-14/F, China World Office 2
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Beijing
PRC

PRINCIPAL BANKS

Agricultural Bank of China Limited Beijing Pilot Free Trade Zone Zhangjiawan Design Town Branch
No. 16 Guanghua Road
Zhangjiawan Town
Tongzhou District
Beijing
PRC

China Construction Bank Corporation Beijing Desheng Branch
Hesheng Fortune Plaza
No. 13 Dewai Street
Xicheng District
Beijing
PRC

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

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Industrial Development Zone
Tongzhou District
Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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REGISTERED OFFICE

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Industrial Development Zone
Tongzhou District
Beijing
PRC

H SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

2480

COMPANY'S WEBSITE

www.luzhubiotech.com

DATE OF LISTING

May 8, 2023

Financial and Operational Data Highlights

The following table summarizes the results of operations of the Group for the years ended December 31, 2025 and 2024:

	For the year ended December 31,		
	2025	2024	Change
	RMB'000	RMB'000	(%)
Other income	**11,031**	21,387	(48.4)
Other gains and losses, net	**(4,221)**	11,818	(135.7)
Administrative expenses	**(51,790)**	(64,795)	(20.1)
Research and development expenses	**(96,475)**	(135,134)	(28.6)
Finance costs	**(6,583)**	(766)	759.4
Selling and distribution expenses	**(758)**	–	100.0
Other expenses	**(1,554)**	(745)	108.6
Share of loss of an associate	**(5)**	–	100.0
Loss before tax	**(150,355)**	(168,235)	(10.6)
Income tax expense	**–**	–	–
Loss and total comprehensive expense for the year	**(150,355)**	(168,235)	(10.6)
Loss per share	**RMB**	RMB	
– Basic	**(0.75)**	(0.83)	(9.6)
– Diluted	**(0.75)**	(0.83)	(9.6)

	As of December 31,	
	2025	2024
	RMB'000	RMB'000
Non-current assets	**601,082**	577,587
Current assets	**438,510**	472,876
Current liabilities	**118,466**	98,857
Net current assets	**320,044**	374,019
Non-current liabilities	**261,007**	98,015
Net assets	**660,119**	853,591

OVERVIEW

The Company is a biotechnology company committed to developing innovative human vaccines and therapeutic biologics to prevent and control infectious diseases and treat cancer and autoimmune diseases.

Since its inception in 2001, the Group has focused on human medicine and has established technology platforms with its understanding of immunology and protein engineering, which empowers the Group to develop the recombinant vaccine and antibody product candidates with favorable efficiency, high purity and improved stability.

As of December 31, 2025, the Group's product pipeline consisted of 3 clinical-stage product candidates, including its Core Product, LZ901, and 6 pre-clinical stage product candidates.

As of December 31, 2025, the Group had a total of 7 invention patents in Russia, the PRC, Japan, Australia, the U.S., South Korea and Canada, and 2 pending applications relating to its Core Product in Europe and the U.K.. All of the registered patents and patent applications for the Core Product are related to the same set of patent claims filed to 9 different jurisdictions to protect its intellectual property, given that in addition to the PRC and the U.S., the other jurisdictions are also the target markets or potential markets in the future for LZ901.

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual report of the Company for the financial year ended December 31, 2025.

We are a biotechnology company committed to researching and developing innovative human vaccines and therapeutic biologics. Since our inception, the Company has focused on addressing significant unmet clinical needs in various areas, including the prevention and control of infectious diseases, as well as treatments for cancers and autoimmune diseases. By consistently advancing the innovation of pipeline products, we continue to drive progress from preliminary research to commercialization.

In 2025, Luzhu Biotechnology achieved a number of important breakthroughs in the commercialization process of our Core Product, the recombinant herpes zoster vaccine LZ901, and the progress of the BLA application for LZ901 advanced as scheduled, which laid a solid foundation for commercialization. Meanwhile, in terms of the R&D of other pipeline products, our Company also steadily advanced and achieved new progress. We are immensely grateful to all our Shareholders for their continuous trust and support to our Company. It is with great pleasure that I share with you our operating results for the year 2025:

I. INNOVATIVE PRODUCT DEVELOPMENT

Core Product – Recombinant Herpes Zoster Vaccine LZ901. In January 2025, the Company officially submitted a BLA application for LZ901 to the NMPA, which was subsequently accepted in February. In the third quarter of 2025, the NMPA completed the procedures of on-site inspection for the clinical trial and on-site verification for production. In the first half of 2025, the Company also completed the head-to-head comparison research of LZ901. The research results showed that compared with Shingrix®, LZ901 could induce better cellular immunogenicity and demonstrate better safety in adults aged 50 or above.

In terms of overseas clinical progress, the Company officially completed the Phase I clinical trial of LZ901 conducted in the U.S. in September 2025. According to the clinical trial results, both the high-dose group and the low-dose group of the LZ901 vaccine showed good safety and immunogenicity compared with the placebo group, which laid a foundation for the subsequent clinical research.

As of the date of this report, LZ901 is still in the process of marketing review. The Company expects to launch LZ901 to the market as soon as possible, to provide high-quality vaccine products and more vaccination choices for the broad target population, and to contribute to social public health services with the Company's excellent innovation capabilities.

Recombinant RSV vaccine. The recombinant respiratory syncytial virus (RSV) vaccine, whose R&D was initiated by the Company in 2023, successfully completed the pre-clinical research and obtained relevant invention patents in 2025, officially entering the pre-IND application stage. Currently, there is no successfully commercialized RSV vaccine launched in China. The clinical prevention needs are urgent, and the market space is broad. The Company will leverage the mature recombinant protein vaccine technology platform to accelerate the application and clinical development, strive to fill the domestic gap, and provide safe and effective prevention solutions for potential high-risk populations.

Recombinant HSV vaccine. The Company officially laid out and initiated the R&D work of two recombinant herpes simplex virus vaccines in 2024, which are the recombinant HSV-1 vaccine against oral herpes and herpes labialis caused by HSV-1 infection, and the recombinant HSV-2 vaccine against genital herpes caused by HSV-2 infection, respectively. From the perspective of clinical needs and market landscape, genital herpes, as a common sexually transmitted disease, is prone to recurrent attacks and affects the physical and mental health and quality of life of patients for a long time. However, there is currently no preventive vaccine against genital herpes that has achieved commercialization and launch globally, and there are significant and urgent unmet medical needs. The Company leverages the mature recombinant protein technology platform to carry out targeted R&D, seeks to achieve breakthroughs in this field, and provides effective prevention choices for relevant populations. The Company expects that the recombinant HSV-2 vaccine can enter the pre-IND application stage as early as the second half of 2026.

Bispecific Antibody Products K193/K1932. The biopharmaceutical industry's attention to CD19-targeted bispecific antibody products continues to increase, and many companies in the industry are expanding the application of relevant products in the field of autoimmune diseases. In the past 2025, we also actively advanced the Phase I clinical research of K193 and the pre-clinical research of K1932, and actively explored more application possibilities for these two product candidates.

II. CONTINUOUS OPERATING FUNDS SUPPORT

As a biotechnology company that has yet to generate any profit, before the successful commercialization of our Core Product, we have prepared for the sustainability of the Group's funding supply, which provided substantial guarantee for the future R&D process, operation management and product commercialization preparation. As of December 31, 2025, bank facilities of approximately RMB400.3 million guaranteed by the Group remained unutilized.

III. FUTURE AND OUTLOOK

2026 is a crucial year in the Company's development process, and is also expected to become a key year for accelerated implementation of results and continuous realization of value. We will always stay true to our original aspirations, live up to the trust and entrustment of all Shareholders, and forge ahead with concerted efforts.

In 2026, the Company will focus on its Core Product, the recombinant herpes zoster vaccine LZ901, make every effort to advance its domestic commercialization and overseas market expansion process, and accelerate the realization of commercialization profit and sustainable operation capabilities. At the same time, we will steadily advance more pipeline products into the clinical research stage, and continuously improve the production capacity layout to match the growing market demand.

In the future, we will continue to adhere to our philosophy of "people-oriented and continuous improvement", deeply cultivate the vaccine field, protect public health with high-quality products, boost industry development with innovative R&D, and earnestly create long-term value for the social health cause.

KONG Jian
Chairman of the Board and Executive Director

April 23, 2026

Management Discussion and Analysis

BUSINESS REVIEW

Research and development of product candidates

After two decades of research and development and introduction of technologies, the Group has established an innovative precision protein engineering platform empowering the full cycle of drug development, which provides a solid foundation for the development of the Group's human vaccines candidates, monoclonal antibody product candidates and bispecific antibody product candidates.

The Group's innovative antigen presentation technology for vaccine development starts from the concept of enhancing the immunogenicity of a target antigen, then streamlines the design of a recombinant virus vaccine antigen while retaining the primary structure of the natural antigen to enhance immunogenicity, improve safety and patient vaccination experience. The Group has an internally developed next-generation bispecific antibody development platform, Fabite®, of which the Group owns intellectual property rights, has competitive advantages in the development of bispecific antibody products for the treatment of relapsed/refractory hematological malignancies. Fabite® has a fully controllable mechanism of action and mode of administration to ensure the safety of patients. It can be used in a variety of immunotherapies based on the activation of T cells to kill cancer cells. Fabite® optimizes the purification process of bispecific antibodies, achieving high purity of monomers. At the same time, the Group has developed several types of liquid formulations to address stability issues, resulting in bispecific antibody solutions that can be stable for more than three years in storage conditions of 2-8°C.

By employing the Fabite® technology platform and mammalian expression technology platform and leveraging its in-house biologics manufacturing infrastructure and capabilities, the Group established a diversified and advanced product pipeline covering human vaccine candidates, monoclonal antibody product candidates and bispecific antibody product candidates.

Product candidates at clinical trial stage

LZ901

LZ901, the independently developed recombinant herpes zoster vaccine candidate and Core Product of the Group, has a tetrameric molecular structure to prevent shingles caused by varicella-zoster virus ("**VZV**"). Its molecular structure has doubled the fragment crystallizable (Fc) regions for antigen presenting cells ("**APCs**") to bind to compared to naturally occurring VZV antigen. LZ901 actively presents VZV antigens to immune cells to trigger an immune response. In addition, LZ901 has demonstrated high immunogenicity, efficacy and safety profile in both the pre-clinical studies and the Phase I/II/III clinical trial in China, while inducing specific humoral and cellular immunity.

The Group has initiated the multi-center, randomized, double-blind, placebo-controlled Phase III clinical trial for LZ901 in China in September 2023, and completed the subjects enrollment of a total of 26,000 healthy subjects aged 40 years and older in January 2024. The Group also launched a head-to-head clinical trial of LZ901 and HZ/su vaccine (Shingrix®), a recombinant glycoprotein E subunit vaccine, which was successfully completed during the first half of 2025. Results of the comparison study showed that LZ901 induced superior cellular immunogenicity and exhibited a better safety profile than HZ/su vaccine in adults aged 50 or above.

Based on the interim analysis of the Phase III clinical trial, a BLA for LZ901 was submitted to the NMPA in January 2025, which was subsequently accepted in February 2025. In the third quarter of 2025, the NMPA has finished the clinical trial on-site inspection and the production site inspection. Up to the date of this report, the NMPA is still reviewing the BLA for LZ901, and the Group currently expects to commercialize LZ901 in the PRC in the second half of 2026.

In addition, the Group has received IND approval from the FDA in July 2022 for LZ901. The Phase I clinical trial of LZ901 in the U.S. was initiated in February 2023, and is a randomized, double-blind, placebo-controlled and dose escalation study for evaluating the safety and tolerability of LZ901 in healthy subjects aged 50 to 70 years inclusive. A total of 66 subjects were enrolled in the Phase I clinical trial of LZ901 in the U.S..

According to the results of the Phase I clinical trial of LZ901 in the U.S. which finished in September 2025, both the high-dose group and low-dose group of the LZ901 vaccine demonstrated good safety and immunogenicity portfolio as compared to the placebo group. The primary research objective of this clinical trial is to verify the safety of the vaccine and only the low-dose group of the LZ901 vaccine experienced vaccine related mild adverse reactions (4.35%), while no vaccine-related adverse reactions were observed in the high-dose group of the LZ901 vaccine or the placebo group.

K3

K3, the independently developed recombinant human anti-tumor necrosis factor ("**TNF**")-α monoclonal antibody injection product candidate of the Group, is a biosimilar of Humira® (adalimumab) and mainly used for the treatment of various autoimmune diseases, such as rheumatoid arthritis, ankylosing spondylitis and plaque psoriasis. The Group has initiated the Phase I clinical trial in China in September 2018, in which K3 displayed pharmacokinetics consistent with adalimumab, and completed the Phase I clinical trial in December 2019.

Since 2025, some provincial pharmaceutical centralized procurement platforms in China have included adalimumab in the filing scope for monoclonal antibody biologics under centralized procurement. Based on the Group's assessment, it is expected that inclusion of adalimumab in centralized procurement will result in a substantial reduction in prices and a significant contraction in the addressable market size. Taking into consideration the above and other relevant factors including the prevailing market price of adalimumab, the Board has proposed to change the intended use of net proceeds from the Global Offering as previously disclosed in the Prospectus ("**Net Proceeds Change**"), subject to the approval of the Shareholders. Pursuant to the Net Proceeds Change, net proceeds originally allocated for the development of K3 would be reallocated to support the development and/or commercialization of other product candidates of the Group, namely LZ901 and recombinant RSV vaccine, and the general working capital needs of the Group. Accordingly, the development of K3 will be suspended if the Net Proceeds Change is approved by the Shareholders. Please refer to the announcement of the Company dated April 23, 2026 for further details.

K193

K193 is an independently developed bispecific antibody injection (B-lymphocyte antigen CD19 ("**CD19**") – cluster of differentiation 3 ("**CD3**")) product candidate of the Group for the treatment of B cell leukemia and lymphoma. K193 is the world's first bispecific antibody against CD19/CD3 with an asymmetric structure. K193 has an innovative molecular structure that was developed based on the internally developed bispecific antibody development platform of the Group, Fabite®, and the Group's mammalian expression technology platform, which makes it less prone to polymerization and decreased activity compared to other similar products in the market. During pre-clinical studies, K193 displayed high *in vivo* and *in vitro* anti-tumor activity, and its optimized formulation is stable and convenient to use. K193's unique mechanism of action endows it with a strong ability to treat various types of B cell leukemia and lymphoma. The safe and controllable administration of K193 also reduces the impact of patient stress caused by medication administration. In December 2019, the Group initiated a Phase I clinical trial of K193 in China and expects to complete the Phase I clinical trial no earlier than 2027.

Updates on other pre-clinical product candidates

As of December 31, 2025, the Group had a total of six pre-clinical stage product candidates, namely, recombinant varicella vaccine, recombinant RSV vaccine, recombinant HSV-1 vaccine, recombinant HSV-2 vaccine, K333 bispecific antibody for the treatment of myeloid leukemia and K1932 bispecific antibody for the treatment of lymphoma.

Recombinant RSV vaccine is an independently developed recombinant vaccine product candidate of the Group that targets LRTD caused by RSV. It is a liquid formation with an aluminum adjuvant. Through the introduction of covalent disulfide bonds into the recombinant RSV vaccine, fusion (F) protein is stabilized in its pre-fusion (preF) conformation, thereby preserving the key neutralizing epitopes of F protein.

The F protein, located on the surface of the RSV virus, is the primary target antigen for RSV vaccines. Prior to viral entry into host cells, the F protein is in its preF conformation, and exposes potent neutralizing epitopes. However, such F protein will be transitioned from the preF to post-fusion (postF) conformation during viral fusion, resulting in the loss of the neutralizing epitopes. The covalent disulfide bonds of the recombinant RSV vaccine stabilize the F protein in its preF conformation, which is required for eliciting strong neutralizing immune responses. Such stabilization of F protein in preF conformation also enables the recombinant RSV vaccine to address key industry pain points for RSV vaccines, such as protein instability and formulation limitations.

The recombinant RSV vaccine is currently in the pre-IND stage, and it has demonstrated good immunogenicity in pre-clinical studies. Phase I clinical trial of the recombinant RSV vaccine in China is expected to commence in late 2026 or early 2027.

Recombinant varicella vaccine, a recombinant vaccine that targets chickenpox caused by VZV, is currently in the pre-clinical stage.

Recombinant HSV-1 vaccine, a recombinant vaccine that targets oral herpes or cold sores caused by HSV-1, the Group expects to enter the pre-IND stage as early as 2027.

Recombinant HSV-2 vaccine, a recombinant vaccine that targets genital herpes caused by HSV-2, the Group expects to enter the pre-IND stage as early as the second half of 2026.

K333, one kind of bispecific antibody injection (CD33-CD3) product candidate for the treatment of myeloid leukemia, is a bispecific antibody that binds to human CD33 and CD3.

K1932, one kind of bispecific antibody injection (CD19-CD3) product candidate for the treatment of B cell lymphoma, is based on the molecular structure of K193. Compared with K193, K1932 has a much longer half-life in the human body.

The following diagram summarizes the status of the product pipeline of the Group as of December 31, 2025:

Product Type	Product Pipeline	Indications	Pre-Clinical	Clinical Trials I	Clinical Trials II	Clinical Trials III	BLA
Vaccine							
Recombinant Vaccine	LZ901[1]	Herpes zoster	China				
		Herpes zoster	U.S.				
Recombinant Vaccine	Varicella Vaccine	Varicella	China				
Recombinant Vaccine	RSV Vaccine	LRTD caused by RSV	China				
Recombinant Vaccine	HSV-1 Vaccine	Oral herpes or cold sores caused by HSV-1	China				
	HSV-2 Vaccine	Genital herpes caused by HSV-2	China				
Antibody							
Monoclonal Antibody	K3[2]	Ankylosing spondylitis, rheumatoid arthritis, plaque psoriasis	China				
Bispecific Antibody	K193	r/r B-cell lymphoma/leukemia	China				
Bispecific Antibody	K333	Myeloid leukemia	China				
Bispecific Antibody	K1932	r/r B-cell lymphoma	China				

Notes:

(1) Core Product.

(2) K3 is a biosimilar of adalimumab and therefore, is not required to conduct a Phase II clinical trial. As mentioned above, the development of K3 will be suspended if the Net Proceeds Change is approved by the Shareholders.

THE COMPANY MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET THE CORE PRODUCT, OR ANY OTHER PRODUCT CANDIDATES.

Research and development

The in-house R&D team of the Group is involved in all stages of novel vaccine and biologic therapeutic candidates development, from pre-clinical studies, laboratory research to clinical trials, regulatory filing and manufacturing process development, and the Group has thereby established a full range of in-house product discovery capabilities, including recombinant protein design and optimization, amplification, cultivation and harvesting. As of December 31, 2025, the in-house R&D team of the Group consisted of 129 personnel. With its R&D capabilities, the Group now possesses a diversified and advanced product pipeline covering human vaccine candidates, monoclonal antibody product candidates and bispecific antibody product candidates.

Manufacturing and quality assurance

The Group has R&D and manufacturing facilities in both Beijing and Zhuhai. The newly constructed R&D facility in Yizhuang, Beijing has commenced operation in August 2025. Meanwhile, the manufacturing facility in Beijing is expected to be put into trial operation as early as the second half of 2026. The Group provides training to its manufacturing team to ensure that each team member possesses the skills sets and techniques required in the relevant product process, and comply with the quality control requirements, as well as applicable laws and regulations. As of December 31, 2025, the manufacturing team of the Group consisted of 48 personnel.

The Group also has a quality management system designed to adhere to national standards, including the GMP standards, covering substantially every aspect of the operations including product design, raw materials and manufacturing, among others. As of December 31, 2025, the Group had an experienced quality management team consisting of 59 personnel, all of whom had received professional training in regulations, GMP standards and quality control analysis methods.

FUTURE AND OUTLOOK

The Group plans to implement the following strategies to achieve the goals and visions of the Group:

- actively promote the clinical development of the Group's pipeline candidates, in particular for LZ901, the Core Product of the Group;
- lay out strategic plans to promote commercialization of LZ901 in China and abroad;
- rapidly advance the development of the other pre-clinical product candidates of the Group, including recombinant varicella vaccine, recombinant RSV vaccine, recombinant HSV-1 vaccine, recombinant HSV-2 vaccine, K333 and K1932; and
- expand the product pipeline of the Group through independent development and/or collaboration.

FINANCIAL REVIEW

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

Other Income

Other income of the Group decreased by approximately 48.4% from approximately RMB21.4 million for the year ended December 31, 2024 to approximately RMB11.0 million for the year ended December 31, 2025, which was primarily attributable to the decrease in government grants and interest income on bank balances.

Set out below are the components of other income for the years indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Income from sales of immunoassay kits	**3,373**	1,925
Government grants related to		
– Research and development activities	**500**	6,442
– Plant and machinery	**3,015**	2,695
– Right-of-use assets	**2,670**	2,670
– Others	**216**	4,813
Interest income on bank balances	**1,161**	2,822
Rental income from property	**75**	–
Interest income from rental deposits	**21**	20
Total	**11,031**	21,387

Other Gains and Losses, net

Net other gains and losses of the Group decreased by approximately 135.7% from gains of approximately RMB11.8 million for the year ended December 31, 2024 to losses of approximately RMB4.2 million for the year ended December 31, 2025. Such decrease was primarily attributable to the decrease in fair value gains on financial assets at fair value through profit or loss ("**FVTPL**"), impairment losses recognized on property, plant and equipment and the increase in foreign exchange losses.

Set out below are the components of net other gains and losses for the years indicated:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Fair value gains on financial assets at FVTPL	**3,258**	11,097
Losses on disposal of property, plant and equipment	**(5)**	(247)
Impairment losses recognized on property, plant and equipment	**(5,934)**	–
Foreign exchange (losses) gains, net	**(1,540)**	997
Loss on early termination of a lease	**–**	(29)
Total	**(4,221)**	11,818

Administrative Expenses

Administrative expenses of the Group decreased by approximately 20.1% from approximately RMB64.8 million for the year ended December 31, 2024 to approximately RMB51.8 million for the year ended December 31, 2025, which was primarily due to the fully recognition of staff costs relating to share-based payments for existing share award schemes in 2024 and no such recognition of costs in 2025.

Research and Development Expenses

During the Reporting Period, the research and development expenses primarily consisted of the following, but not limited to: raw material, staff costs, contracting costs, third party service fees, and relevant depreciation and amortization of such expenses. Research and development expenses of the Group decreased by approximately 28.6% from approximately RMB135.1 million for the year ended December 31, 2024 to approximately RMB96.5 million for the year ended December 31, 2025, which was primarily due to (a) a decrease in clinical expenses in relation to LZ901, which corresponded with the progress of the Phase III clinical trial of LZ901 in China; and (b) fully recognition of staff costs relating to share-based payments for existing share award schemes in 2024 and no such recognition of costs in 2025.

Finance Costs

Finance costs of the Group increased by approximately 759.4% from approximately RMB0.8 million for the year ended December 31, 2024 to approximately RMB6.6 million for the year ended December 31, 2025.

Other Expenses

Other expenses of the Group increased by approximately 108.6% from approximately RMB0.7 million for the year ended December 31, 2024 to approximately RMB1.6 million for the year ended December 31, 2025, which was primary attribute to the increase in the cost of selling immunoassay kits.

Loss before Tax

For the above reasons, the loss before tax of the Group decreased by approximately 10.6% from approximately RMB168.2 million for the year ended December 31, 2024 to approximately RMB150.4 million for the year ended December 31, 2025.

Income Tax Expense

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's subsidiary in Hong Kong, which was subject to Hong Kong profit tax during the year ended December 31, 2025 (December 31, 2024: Nil).

Under the law of the PRC on Enterprise Income Tax ("**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company and the PRC subsidiaries of the Group is 25%. As the Group was loss-making for the years ended December 31, 2024 and 2025, no income tax expense was incurred.

Property, Plant and Equipment

The property, plant and equipment of the Group primarily consist of properties, leasehold improvement, machinery, vehicles, office equipment and construction in progress.

The property, plant and equipment of the Group increased by approximately 7.9% from approximately RMB457.6 million as of December 31, 2024 to approximately RMB493.5 million as of December 31, 2025, primarily due to the construction of the new R&D and manufacturing facility in Beijing and the acquisition of machinery and equipment for the same.

Prepayments, Deposits and Other Receivables

The prepayments, deposits and other receivables of the Group primarily consist of value added tax recoverable, prepayments for purchase of property, plant and equipment, and prepayments to suppliers and service providers.

The prepayments, deposits and other receivables of the Group decreased by approximately 29.8% from approximately RMB25.6 million as of December 31, 2024 to approximately RMB18.0 million as of December 31, 2025, primarily due to the decrease in prepayments for purchase of property, plant and equipment.

Liquidity, Capital resources and Structure

The bank balances decreased by approximately 30.8% from approximately RMB140.1 million as of December 31, 2024 to approximately RMB97.0 million as of December 31, 2025, which was primarily due to (a) funds used for research and development; (b) capital expenditure of the Group; (c) cash used in daily operations; and (d) the repurchases of H Shares by the Company in 2025, partially offset by the bank borrowings secured by the Group.

As of December 31, 2025, the Group had bank borrowings of approximately RMB259.6 million (December 31, 2024: approximately RMB54.9 million), of which approximately RMB37.0 million would be payable within one year (December 31, 2024: approximately RMB1.8 million). Such bank borrowings are denominated in RMB with term from one to five years, and bear interest rates from 2.15% to 3.50% per annum with such interest being payable on a quarterly basis. As at December 31, 2025, approximately 45.5% of the Group's borrowings were linked to fixed interest rate. Such bank borrowings are secured by properties of the Group and/or guaranteed by Mr. KONG and/or Ms. ZHANG, the executive Directors and Controlling Shareholders. For the avoidance of doubt, the personal guarantees given by Mr. KONG and/or Ms. ZHANG are on normal commercial terms or better and are not secured by assets of the Group. Therefore, such guarantees are fully exempted under Rule 14A.90 of the Listing Rules.

As of December 31, 2025, approximately RMB400.3 million of the bank facilities secured by the Group remained unutilized.

There had been no breach of loan agreement by the Group during the year ended December 31, 2025.

Pledge of Assets

As of December 31, 2025, properties comprising of offices, laboratories and manufacturing facility of the Group, as well as construction in progress and leasehold lands, had been pledged to secure the bank borrowings and bank facility of the Group. Save as disclosed above, the Group had no other pledge of assets as of December 31, 2025.

Contingent Liabilities

As of December 31, 2025, the Group did not have any material contingent liabilities.

Gearing Ratio

The gearing ratio is calculated using the Group's total liabilities divided by its total assets. As of December 31, 2025, the Group's gearing ratio was 36.5% (December 31, 2024: 18.7%).

Net Current Assets

The net current assets of the Group decreased to approximately RMB320.0 million as of December 31, 2025 from approximately RMB374.0 million as of December 31, 2024.

Capital Expenditure

The Group regularly incurs capital expenditures to expand and enhance its research and development facilities, establish manufacturing capacities and increase operating efficiency. The capital expenditures of the Group during the year ended December 31, 2025 primarily consisted of expenditures on construction in progress.

The Group's capital commitments decreased from approximately RMB38.3 million as of December 31, 2024 to approximately RMB8.6 million as of December 31, 2025. Such decrease was primarily due to the decrease in the acquisition of equipment and machineries and construction projects contracted.

Foreign Exchange

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect their financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit the exposure to foreign currency risk by closely monitoring and minimizing its net foreign currency position. During the year ended December 31, 2025, the Group did not enter into any currency hedging transactions.

Significant Investments, Material Acquisitions and Disposals

The Group did not make any significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025.

Future Plans for Material Investments or Capital Assets

As of December 31, 2025, save for the "Future Plans and Use of Proceeds" disclosed in the Prospectus and as disclosed in this report, the Group had no concrete plans for material capital expenditure, investments or capital assets. The Company will make further announcement(s) in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: nil).

Use of Net Proceeds from the Global Offering

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

Use of Proceeds	Allocation of the net proceeds from the Global Offering (HK$ million)	Percentage of total net proceeds (%)	Unutilized amount as of December 31, 2024 (HK$ million)	Utilized amount during the year ended December 31, 2025 (HK$ million)	Unutilized amount as of December 31, 2025 (HK$ million)	Expected timeline of full utilization of the remaining proceeds from the Global Offering as of December 31, 2025
For clinical development, manufacturing and commercialization of the Core Product, LZ901.	140.7	58.2	46.0	–	46.0	By the end of 2026
To fund ongoing planned clinical trials in China and the U.S. for LZ901	97.0	40.2	2.3	–	2.3	By the end of 2026
To fund commercial manufacturing of LZ901	14.6	6.0	14.6	–	14.6	By the end of 2026
To fund marketing and sales activities	29.1	12.0	29.1	–	29.1	By the end of 2026
For clinical development and manufacturing of K3.	53.4	22.1	53.4	–	53.4	By the end of 2027
To fund planned clinical trials for K3	38.8	16.1	38.8	–	38.8	By the end of 2027
To fund commercial manufacturing of K3	14.6	6.0	14.6	–	14.6	By the end of 2027
For construction of the second-phase commercial manufacturing facility in Zhuhai.	38.8	16.1	0.1	–	0.1	By the end of 2026
For working capital and other general corporate purposes.	8.7	3.6	6.8	1.8	5.0	By the end of 2026
Total	**241.6**	**100.0**	106.3	1.8	104.5	

Note: As of December 31, 2025, the unutilized net proceeds were deposited with licensed bank(s) in Hong Kong or the PRC.

According to the original plan, the net proceeds from the Global Offering are expected to be fully utilized by the end of 2027. The Board has proposed to change the intended use of the net proceeds as previously disclosed in the Prospectus, subject to the approval of the Shareholders. For further details, please refer to the announcement of the Company dated April 23, 2026.

Employee and Remuneration Policy

As of December 31, 2025, the Group employed 193 full-time employees and 12 other types of personnel. The Group has designed an evaluation system to assess the performance of its employees periodically. Such system forms the basis of the Group's determinations of whether an employee should receive a salary raise, bonus, or promotion. The Group believes that the salaries and bonuses the employees received are competitive with market rates.

The following table sets forth the number of our employees for each function as of December 31, 2025:

Function	**Number of Employees**	**Percentage** (%)
Management and General Administrative (including Financial Department)	37	18.1
Research and Development (including Manufacturing Department and Quality Management Department)	129	62.9
Medical Affairs and Clinical Operations	6	2.9
Engineering	22	10.7
Commercialization	11	5.4
Total	205	100.0

The Group places strong emphasis on providing training to its employees in order to enhance their technical and product knowledge. The Group designs and offers different training programmes for its employees in various positions.

The Group makes contributions to the social insurance and housing provident fund for all of its employees in the PRC.

Funding and Treasury Policy

The Group adopts a stable, conservative approach in its finance and treasury policy, aiming to maintain an optimal financial position, the most economic finance costs, and minimal financial risks. Cash and cash equivalents are normally placed at financial institutions that the Group considers the credit risk to be low. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its business operations as well as its research and development, future investments and expansion plans.

EVENTS AFTER THE REPORTING PERIOD

On March 18, 2026, following the resignation of Ms. YUEN Wing Yan, Winnie as a joint company secretary of the Company ("**Joint Company Secretary**") and an authorized representative ("**Authorized Representative**") of the Company under Rule 3.05 of the Listing Rules and an authorized representative in Hong Kong of the Company for the purpose of Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and an authorized person of the Company to accept service of process and notice in Hong Kong under Rule 19A.13(2) of Listing Rules ("**Process Agent**"), Ms. LAI Ho Yan ("**Ms. LAI**") has been appointed as the Joint Company Secretary, the Authorized Representative and the Process Agent with effect on the same day. Mr. LIU Siyu ("**Mr. LIU**") will continue to act as the other Joint Company Secretary. Ms. LAI, as the Joint Company Secretary, will work closely with, and provide assistance to, Mr. LIU in discharging his duties as a Joint Company Secretary. For further details, please refer to the announcement of the Company dated March 18, 2026.

Further, the Board has also proposed to change the intended use of the net proceeds from the Global Offering as previously disclosed in the Prospectus, subject to the approval of the Shareholders. For further details, please refer to the announcement of the Company dated April 23, 2026.

Save as disclosed above, there was no important event affecting the Group which occurred after December 31, 2025 up to the date of this report.

DIRECTORS

Executive Directors

Mr. KONG Jian (孔健), aged 62, is an executive Director, the chairman of the Board, the general manager of the Company, the chief scientist and the leader of the research and development team of the Group, and is primarily responsible for the overall strategic development and key business decisions, including scientific research and production of the Group. He is one of the Controlling Shareholders. Mr. KONG joined the Company in July 2002 as the general manager. He is also the leader of the research and development team of the Group. He was appointed as a Director on September 11, 2008, and re-designated as an executive Director on June 18, 2022 and re-elected as the fifth session of the Board for a term of three years commencing on September 15, 2025. He is also the director, legal representative and general manager of Zhuhai Luzhu, the director of Hong Kong Luzhu, and the director, legal representative and general manager of Beijing Luzhu.

Mr. KONG has over 37 years of experience in the biopharmaceutical industry. Mr. Kong has participated in the successful development of five vaccines which have been commercialized, including three types of bacterial polysaccharide conjugate vaccines and two multivalent meningococcal polysaccharide vaccines. In addition, Mr. Kong has developed vaccines and monoclonal antibodies under clinical investigation, including a recombinant herpes zoster vaccine, two monoclonal antibodies, a bispecific antibody and an inactivated enterovirus 71 vaccine. Prior to joining the Group, from October 1988 to 2002, he worked in the Beijing National Vaccine and Serum Institute of the Ministry of Health (衛生部北京生物製品研究所), a research institute primarily focused on microbiology and immunology research and productions of epidemic prevention products. He has served as the director of the Science and Technology Development Division (科技開發處處長) and manager of the immunodiagnostic laboratory (免疫診斷研究室主任) of the Beijing National Vaccine and Serum Institute of the Ministry of Health since October 2000, and was primarily responsible for scientific research of biological products. In March 2000, Mr. KONG was also accredited as a researcher in biomedical science at the Chinese Biologics Corporation (中國生物製品總公司), a state-owned institution primarily engaged in the research and production of vaccines and blood products.

Since April 2014, Mr. KONG was a limited partner holding approximately 1.65% interests in Beijing Baojin Jiaming Investment Management Center (Limited Partnership) (北京寶金嘉銘投資管理中心(有限合夥)), a limited liability partnership established in the PRC on June 12, 2012. Its business license was revoked on February 21, 2022 due to discontinuation of annual inspection filings by the general partner after cessation of business. As confirmed by Mr. KONG, the above partnership was solvent at the time of revocation of business license, there was no fraudulent act or misfeasance on the part of Mr. KONG leading to the revocation and he was not aware of any actual or potential claim that has been or will be made against him as a result of the revocation of business license of such company.

Mr. KONG obtained a bachelor degree in medicine from the School of Medicine in Shandong University (山東大學) (formerly known as the Shandong Medical University (山東醫學院)) in July 1985, and a postgraduate master degree in epidemiology from Tianjin Medical University (天津醫科大學) (formerly known as Tianjin School of Medicine (天津醫學院)) in September 1988. Mr. KONG is the spouse of Ms. ZHANG, an executive Director, the uncle of Ms. KONG Xi, a Supervisor, and the father-in-law of Mr. LIU Siyu, one of the joint company secretaries of the Company and the secretary of the Board.

Ms. PENG Ling (彭玲), aged 45, is an executive Director, the vice chairperson of the Board, the deputy general manager of the Company, the chief technology officer of the Group and the manager of the quality control department. She is primarily responsible for quality research, quality control and quality assurance efforts for various projects within the group.

Ms. PENG Ling joined the Group in April 2015 and served as the deputy manager of the quality control department of the Group. Ms. PENG Ling also acted as a Director from November 2018 to July 2019 and a Supervisor from July 2019 to September 2025. She is also a supervisor of Beijing Luzhu and deputy general manager of Zhuhai Luzhu. She has been appointed as the Company's quality manager of the Group since March 2020. Since December 2021 to September 2025, she was concurrently appointed as the assistant to general manager of the Company. In April 2022, she has been appointed as the chief technology officer of the Company. Ms. PENG Ling was appointed as an executive Director, vice chairperson of the Board for a term of three years commencing on September 15, 2025 and deputy general manager in September 2025.

Ms. PENG Ling is also a member of the first committee of the Chickenpox and Shingles Control and Prevention Branch of the China Association for Vaccines, a member of the second committee of the Biotechnology Product Quality Control Professional Committee of the China Medical Biotech Association, and a member of the Beijing Biological Products Quality Committee.

Ms. PENG Ling obtained a bachelor degree majoring in chemistry and a master degree in organic chemistry from Shandong Normal University (山東師範大學) in July 2003 and June 2006, respectively. In November 2025, she was awarded the title of Senior Engineer by the Beijing Municipal Human Resources and Social Security Bureau through professional evaluation.

Ms. ZHANG Yanping (張琰平), aged 63, is an executive Director and the deputy general manager of the Company, and is primarily responsible for the overall finance and procurement of the Group. She was appointed as a Director on June 28, 2013, and re-designated as an executive Director on June 18, 2022 and re-elected as the fifth session of the Board for a term of three years commencing on September 15, 2025. She is also one of the Controlling Shareholders. Ms. ZHANG joined the Group in January 2004 as a manager of the research and development department, and is currently the deputy general manager of the Company, mainly in charge of the Group's finance department. At the same time, Ms. ZHANG is also the head of the Group's material department, and the deputy general manager of Zhuhai Luzhu.

Ms. ZHANG has over 40 years of experience in biopharmaceutical industry, and has extensive experience in quality control, quality assurance and pre-clinical safety studies of biological products. She has also led the Group to obtain GMP certification for the Group's Meningococcal Group A and C Polysaccharide Conjugate Vaccine and Group ACYW135 Meningococcal Polysaccharide Vaccine. Prior to joining the Group, from July 1985 to 2004, Ms. ZHANG worked as a technician at the Beijing National Vaccine and Serum Institute of the Ministry of Health (衛生部北京生物製品研究所), mainly participated in the preparation of intestinal bacteria and immunoglobulin diagnostic serum and the research of interferon-β antibody. In March 2000, Ms. ZHANG was appointed as a deputy researcher in biomedical science at the Chinese Biologics Corporation (中國生物製品總公司), a state-owned institution primarily engaged in the research and production of vaccines and blood products.

Ms. ZHANG obtained a bachelor degree in medicine from the School of Medicine in Shandong University (山東大學) (formerly known as the Shandong Medical University (山東醫學院)) in July 1985.

Ms. ZHANG is the spouse of Mr. KONG, an executive Director, the aunt of Ms. KONG Xi, a Supervisor, and the mother-in-law of Mr. LIU Siyu, one of the joint company secretaries of the Company and the secretary of the Board.

Non-executive Directors

Mr. MA Biao (馬驫), aged 62, is a non-executive Director, and is primarily responsible for providing management and strategic advice to the Group. He was nominated by Beijing Science Sun as a Board representative and was appointed as a Director on August 2, 2019. Mr. MA Biao was re-designated as a non-executive Director on June 18, 2022 and re-elected as the fifth session of the Board for a term of three years commencing on September 15, 2025.

Mr. MA Biao has over 26 years of experience in the pharmaceutical industry. From August 1999, Mr. MA Biao joined Beijing Science Sun, a company principally engaged in research, manufacture and sales of biological and biochemical pharmaceuticals and listed on the ChiNext board of the Shenzhen Stock Exchange (stock code: 300485) as the deputy general manager, and was appointed as its director and general manager in July 2001. Mr. MA Biao is the Actual Controller of Beijing Science Sun. He currently serves as the chairman of the board and the general manager of Beijing Science Sun, primarily responsible for overall management. From February 2018 to July 2023, Mr. MA Biao served as a director of Beijing Eastern Biotech Co., Ltd. (北京東方百泰生物科技股份有限公司), a company principally engaged in the R&D and production of innovative antibody and macromolecular protein drugs, where he was an investor board representative primarily responsible for providing opinion and judgment to the board.

Mr. MA Biao obtained a master degree in biochemistry from Jilin University (吉林大學) in June 1989, and a doctorate degree in food science from the China Agricultural University (中國農業大學) in December 2008. Mr. MA Biao was also accredited as a researcher by Beijing Specialised Professions and Technique Titles Evaluation Committee (北京市高級專業技術職務評審委員會) in January 2017.

Mr. KONG Shuangquan (孔雙泉), aged 51, is a non-executive Director, and is primarily responsible for providing management and strategic advice to the Group. He was nominated by Beijing Yizhuang as a Board representative and appointed as a Director on August 2, 2019. Mr. KONG Shuangquan was re-designated as a non-executive Director on June 18, 2022 and re-elected as the fifth session of the Board for a term of three years commencing on September 15, 2025.

From July 2004 to July 2010, Mr. KONG Shuangquan worked at the research and development department of Beijing Science Sun primarily responsible for the development of pharmaceutical drug. From July 2010 to September 2011, Mr. KONG Shuangquan also worked at TianXinFu (Beijing) Medical Appliance Co., Ltd. (天新福(北京)醫療器材股份有限公司, formerly known as Beijing TianXinFu Medical Appliance Co., Ltd. (北京天新福醫療器材股份有限公司)), a company principally engaged in the production of medical equipment involving regenerated medical biomaterials, serving as a manager of the research and development technology department and primarily responsible for the company's biomaterial product development. Subsequently, Mr. KONG Shuangquan re-joined Beijing Science Sun in September 2011, and he is currently the chief engineer of the research and development department of Beijing Science Sun, in charge of the company's technology and product development. Mr. KONG Shuangquan is also currently a director and deputy general manager of Beijing Protein Innovation Co., Ltd. (北京華大蛋白質研發中心有限公司), an investment entity of Beijing Science Sun, where he is primarily responsible for the company's daily operation and decision-making process. Beijing Huada Protein Research and Development Center Co., Ltd. is principally engaged in contract research, drug analysis and the provision of protein-based biologics services including protein expression and purification, recombinant protein, as well as antibody preparation and identification.

Mr. KONG Shuangquan obtained a master degree in microbiology and biochemical pharmacy from Jilin University (吉林大學) in June 2004. In November 2012, Mr. KONG Shuangquan was named as an assistant researcher by the Beijing Intermediate Professional Technical Position Appraisal Committee (北京中級專業技術職務評審委員會).

Independent Non-executive Directors

Ms. HOU Aijun (侯愛軍), aged 60, was appointed as an independent non-executive Director on March 30, 2023, further appointed as a lead independent non-executive Director on June 27, 2025 and re-elected as the fifth session of the Board for a term of three years commencing on September 15, 2025, and is primarily responsible for supervising and providing independent opinion to the Board.

Prior to joining the Group, from March 1992 to November 2009, she worked in the China Biotechnology Group Corporation (中國生物技術集團公司), a company principally engaged in the research and development of biological products and her last position was the deputy director of the research and development management department. She was mainly responsible for management of scientific research projects. In 2009, she joined China National Pharmaceutical Group Co., Ltd. (中國醫藥集團有限公司) (formerly known as China National Pharmaceutical Group Corporation (中國醫藥集團總公司)), a company principally engaged in the distribution, research and development and production of health-related products. She worked as the deputy manager of the research development management department (研發管理部). Subsequently in July 2010, she was appointed as the secretary general of the science and technology committee of the company, and in March 2018 she was further appointed as the deputy manager of the science and technology committee. In July 2018, she was further appointed to act as the deputy director of policy research office of the China National Pharmaceutical Group Co., Ltd. concurrently, mainly responsible for assisting its board of directors in strategic decision-making process with reference to national policies and regulations in the medical industry.

Ms. HOU Aijun obtained a bachelor degree in applied biochemistry from the Department of Biology of the Peking University (北京大學) in July 1987.

Mr. LEUNG Wai Yip (梁偉業), aged 49, was appointed as an independent non-executive Director on March 30, 2023 and re-elected as the fifth session of the Board for a term of three years commencing on September 15, 2025, and is primarily responsible for supervising and providing independent opinion to the Board.

Mr. LEUNG Wai Yip has more than 21 years of experience in audit and financial management. Prior to joining the Group, from March 2000 to August 2005, he acted consecutively as the auditor, senior auditor and manager in the assurance and advisory business services department of Ernst & Young. From May 2007 to December 2010, Mr. LEUNG Wai Yip served as the financial controller and the company secretary of Tiangong International Company Limited (listed on the Stock Exchange, stock code: 826), mainly responsible for the initial public offering of the group and post-listing financial management and investor relationships. He has been the chief financial officer and company secretary of Chaowei Power Holdings Limited (listed on the Stock Exchange, stock code: 951) since December 2010, mainly responsible for the company's financial management, overseas acquisition and financing and investor relationships. Mr. LEUNG Wai Yip also served as an independent non-executive director of Miko International Holdings Limited (listed on the Stock Exchange, stock code: 1247) from December 2013 to February 2016. Since April 2018, he has also been appointed as an independent non-executive director and chairman of the audit committee of HPC Holdings Limited (listed on the Stock Exchange, stock code: 1742).

In addition, Mr. LEUNG Wai Yip was a director of Coyoh Limited, a company incorporated in Hong Kong on June 8, 2009 which did not commence any business ever. On October 10, 2014, Coyoh Limited was dissolved by striking off under Section 744(3) of the Companies Ordinance, pursuant to which if the Registrar of Companies in Hong Kong has reasonable cause to believe that a company is not carrying on business or in operation, the Registrar of Companies in Hong Kong may strike the name of the company off the register after the expiration of a specified period. Mr. LEUNG Wai Yip confirmed that Coyoh Limited was solvent and did not carry out any business at the time of it being struck off. Mr. LEUNG Wai Yip also confirmed that he did not have any outstanding liabilities in relation to Coyoh Limited's being struck off and Coyoh Limited had no outstanding liabilities at the time of it being struck off.

Mr. LEUNG Wai Yip obtained a degree of bachelor of commerce from the University of Alberta in June 1998 and a degree of master of business administration from the Hong Kong University of Science and Technology in November 2010. He has been a member of the American Institute of Certified Public Accountants since December 2002 and an associate member of the Hong Kong Institute of Certified Public Accountants since May 2003.

Mr. LIANG Yeshi (梁冶矢), aged 76, was appointed as an independent non-executive Director on March 30, 2023 and re-elected as the fifth session of the Board for a term of three years commencing on September 15, 2025, and is primarily responsible for supervising and providing independent opinion to the Board.

Mr. LIANG Yeshi has over 36 years of experience in the medical field. Since 1989, Mr. LIANG Yeshi joined the Peking University People's Hospital (北京大學人民醫院) and his last position was the deputy director of the neurosurgery department.

Mr. LIANG Yeshi was a supervisor of Beijing Zhuoyue Tonghua Advertising Co., Ltd. (北京卓越通華廣告有限責任公司) ("**Beijing Zhuoyue**"), a limited liability company established in the PRC on January 31, 2002. The business license of Beijing Zhuoyue was revoked on October 8, 2013 as it did not conduct annual inspection. As confirmed by Mr. LIANG Yeshi, he was not involved in the operation and management of Beijing Zhuoyue, and there was no fraudulent act or misfeasance on his part leading to the revocation. Further, as confirmed by Mr. LIANG Yeshi, Beijing Zhuoyue was solvent at the time of revocation of its business license, and Mr. LIANG Yeshi was not aware of any actual or potential claim that has been or will be made against him as a result of the revocation of business license of Beijing Zhuoyue.

Mr. LIANG Yeshi obtained a master degree in medicine from Tianjin Medical University (天津醫科大學) in September 1988.

SUPERVISORS

Mr. CHEN Liang (陳亮), aged 46, was appointed as a Supervisor on April 26, 2022 and re-elected as the fifth session of the Supervisory Board for a term of three years commencing on September 15, 2025. He was appointed as the chairman of the Supervisory Board on September 15, 2025. Mr. CHEN Liang is mainly responsible for supervising the operating and financial activities of the Company. He joined the Group's human resources and administration department in August 2021 as a manager.

Prior to joining the Group, Mr. CHEN Liang worked as the chief executive officer for Beijing Jieyatai Zhongsheng Automobile Sales Co., Ltd. (北京捷亞泰中盛汽車銷售有限公司), a company primarily engaged in car sales, where he was primarily responsible for administration and human resource management.

Mr. CHEN Liang obtained a bachelor degree in law in July 2016 from Beihang University (北京航空航天大學) through attending long distance learning courses. He also obtained the professional qualifications of senior vocational management professional (level 1) (高級職業經理人(一級)) and the senior human resources management specialist (level 1) (高級人力資源管理師(一級)) in October 2015, and the professional qualification of safety evaluation professional (level 1) (安全評價師(一級)) in December 2018 from the Ministry of Human Resources and Social Security of the People's Republic of China (中華人民共和國人力資源和社會保障部).

Ms. KONG Xi (孔茜), aged 33, was appointed as a Supervisor on July 21, 2014 and re-elected as the fifth session of the Supervisory Board for a term of three years commencing on September 15, 2025. Ms. KONG Xi is mainly responsible for supervising the operating and financial activities of the Company. She has been working as a technician in the quality control department of the Group since July 2013 and is also the Company's deputy quality manager.

Ms. KONG Xi obtained a bachelor degree in bioengineering in June 2013 from Huaqiao University (華僑大學).

Ms. KONG Xi is the niece of Mr. KONG and Ms. ZHANG, the executive Directors.

Ms. WANG Wei (王蔚), aged 45, was appointed as a Supervisor for a term of three years commencing on September 15, 2025. Ms. WANG Wei is mainly responsible for supervising the operating and financial activities of the Company. Ms. WANG Wei joined the finance department of the Group in August 2021 as an accountant.

Ms. WANG Wei has over 21 years of working experience in accounting and finance. Prior to joining the Group, from July 2002 to November 2008, Ms. WANG Wei worked at Jinan Jin Cai Financial Management Consulting Co., Ltd. (濟南金財財務管理諮詢有限公司), an accounting and financial consulting company, as an accountant, mainly responsible for accounting and tax filing. Ms. WANG Wei then worked as an accountant at Shandong Huatai Manor Garden Co., Ltd. (山東華泰莊園園林有限公司), a construction and engineering service provider, and Gan & Lee Pharmaceutical Co., Ltd. (甘李藥業股份有限公司), a pharmaceutical company listed on the Shanghai Stock Exchange (stock code: 603087), from November 2008 to August 2011 and September 2011 to July 2014, respectively, where she was mainly responsible for accounting, tax filing and information coordination and management in connection with initial public offering. Ms. WANG Wei then worked at Dream Castle (Tianjin) E-commerce Co., Ltd. (夢想城堡(天津)電子商務有限公司), an e-commerce trading company, from December 2014 to March 2017 as its accounting and settlement supervisor, and was mainly responsible for transaction settlement with various e-commerce platforms and financial analysis. From March 2017 to June 2021, Ms. WANG Wei worked as a finance manager in Beijing Fast Track Network Co., Ltd. (北京快道網路有限公司), an online service platform operator, mainly responsible for devising and implementing financial control system, budgeting, accounting and capital and tax management.

Ms. WANG Wei obtained a diploma in accounting and a bachelor's degree in accounting from Shandong Economics College (山東經濟學院) in July 2002 and January 2008, respectively. Ms. WANG Wei also obtained the professional qualification of intermediate accountant (中級會計師) from the Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源及社會保障局) in September 2015 and the professional qualification of senior management accountant (高級管理會計師) from the China Association of Chief Financial Officers (中國總會計師協會) in November 2022.

SENIOR MANAGEMENT

Mr. KONG Jian (孔健), see "– Board of Directors – Executive Directors" in this section for details.

Ms. PENG Ling (彭玲), see "– Board of Directors – Executive Directors" in this section for details.

Ms. ZHANG Yanping (張琰平), see "– Board of Directors – Executive Directors" in this section for details.

Ms. JIANG Xianmin (蔣先敏), aged 63, is the deputy general manager of the Company, the chief medical officer and leader of the clinical development team of the Group, and is primarily responsible for the management of the clinical trials of the products of the Group. She is also the manager of the medical department of the Group. Ms. JIANG Xianmin joined the Group in February 2002 as the deputy general manager, mainly responsible for the Company's R&D and clinical work. Since 2018, she has been focusing on management of the clinical development programs and registration of the Company's products. Ms. JIANG has led the development of the Group's Meningococcal Group A and C Polysaccharide Conjugate Vaccine, Meningococcal Group A and C and Haemophilus Influenzae Type b Conjugate Vaccine, Group ACYW135 Meningococcal Polysaccharide Vaccine, typhoid polysaccharide vaccine and tetanus toxoid vaccine. Ms. JIANG Xianmin was appointed as a Director on June 28, 2013, the vice-chairlady of the Board since July 2013 and re-designated as an executive Director on June 18, 2022. Ms. JIANG Xianmin retired as an executive Director and the vice-chairlady of the Board with effect from September 15, 2025 following the expiration of the term of the fourth session of the Board. Currently, Ms. JIANG Xianmin is also the deputy general manager and supervisor of Zhuhai Luzhu.

Ms. JIANG Xianmin has over 39 years of experience in the biopharmaceutical industry. Prior to joining the Group, Ms. JIANG worked in the Beijing National Vaccine and Serum Institute of the Ministry of Health (衛生部北京生物製品研究所) for over 16 years, a national research unit primarily focusing on the production and research of vaccines, blood-based products and diagnostic reagents, as an associate researcher and was primarily responsible for the research and development of immunodiagnostic reagents and monoclonal antibodies, and she has participated in various studies such as construction of hybridoma cell strains secreting McAbs to human erythrocyte surface antigen glycophorin A and a study on anti-CEA response induced by anti-idiotypic antibody.

Ms. JIANG Xianmin obtained a bachelor degree in medicine from the Xiangya School of Medicine of Central South University (中南大學湘雅醫學院) (formerly known as Hunan School of Medicine (湖南醫學院)) in August 1984. In January 1998, she was recognized as an associate researcher by Ministry of Health of the People's Republic of China (中華人民共和國衛生部).

Ms. LIU Zheng (劉錚), aged 39, joined the Group as manager of the securities investment department of the Company in August 2023, and was appointed as the chief financial officer of the Company in December 2023, is primarily responsible for overseeing the corporate financing of the Group.

Ms. LIU Zheng has over 15 years of experience in investment, financing and capital markets. Prior to joining the Group, Ms. LIU Zheng worked as an associate in Beijing Lantai Partners (北京市蘭台律師事務所) from December 2009 to December 2012, primarily responsible for financing and capital market legal practice. From May 2013 to September 2014, she served as an investment manager at Shaanxi International Trust Co., Ltd. (陝西省國際信託股份有限公司) (listed on the Shenzhen Stock Exchange, stock code: 000563). From November 2014 to August 2017, she joined the Beijing Branch of Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 601211; and listed on the Stock Exchange, stock code: 2611), where she served as an assistant director. From September 2017 to August 2023, she worked as the vice president of investment with Deyi Investment Management (Beijing) Co., Ltd. (得怡投資管理(北京)有限公司), a private equity investment fund focusing on pharmaceutical and healthcare investment.

Ms. LIU Zheng obtained a bachelor of law's degree from Renmin University of China (中國人民大學) in June 2008. She further obtained a master of law's degree from New York University School of Law (紐約大學法學院) in the U.S. in May 2009. Ms. LIU Zheng obtained qualification for legal practice both in Mainland China and New York State of the U.S..

Mr. LIU Siyu (劉斯宇), aged 35, was appointed as one of the joint company secretaries of the Company on June 18, 2022. He has served as the secretary of the Board since September 2021 and is primarily responsible for handling daily affairs and communications of the Board, assisting the Board in legal compliance and corporate governance matters, and handling external financing and public relations of the Group, including but not limited to liaising with the Company's investors, relevant governmental authorities and the media.

Prior to joining our Group, from February 2015 to October 2015, he joined Xiaoyezi (Beijing) Technology Co., Ltd. (小葉子(北京)科技有限公司), a company primarily engaged in online music education with music-related artificial intelligence (AI) hardware products, where he served as a java engineer, mainly responsible for overseeing and managing technological issues of the company. From November 2015 to September 2021, he served as a java engineer of platform support center at Kuaishou Technology (快手科技) (listed on the Stock Exchange, stock code: 1024), a content community and social platform that principally provides live streaming services, online marketing services and other services.

Mr. LIU Siyu obtained a bachelor degree in network engineering from the Nanjing University of Posts and Telecommunications (南京郵電大學) in June 2013.

Mr. LIU Siyu is the son-in-law of Mr. KONG and Ms. ZHANG, the executive Directors.

Ms. LU Lu (路露), aged 44, joined the Group and was appointed as the manager of administration department of Zhuhai Luzhu in April 2021, and was promoted as the deputy general manager of Zhuhai Luzhu in December 2021. Ms. LU Lu is primarily responsible for the management of administration and human resources of the Group.

Ms. LU Lu has over 17 years of experience in the pharmaceutical industry. Prior to joining the Group, from July 2007 to November 2010, she served as a deputy chief clerk at Food and Drug Administration of Xinxiang City (新鄉市食品藥品監督管理局). In November 2010 to 2017, she joined the Political Consultative Conference Institute of Xinxiang City (新鄉市政協機關), during the period which she has served as the deputy manager of the personnel liaison department, and was later promoted as the manager of the same department in April 2013. From November 2017 to April 2021, she served as a deputy general manager at Zhuhai BesTest Bio-Tech Co., Ltd. (珠海百試通生物科技有限公司), a company principally engaged in production and sales of several types of SPF-grade rodent laboratory animals and provision of pharmacological and pharmacodynamic CRO services, where she was primarily responsible for overall management of personnel and administration of this company.

Ms. LU Lu obtained a bachelor degree in clinical medicine from Medical School of Zhengzhou University (鄭州大學醫學院) in July 2005. She further obtained a master degree in pharmacology from Jinan University (暨南大學) in June 2007.

Mr. HAN Chaowei (韓朝煒), aged 51, joined the Group in October 2020 and has since then served as the deputy general manager of Zhuhai Luzhu. Mr. HAN Chaowei is the head of manufacturing and engineering of the Group and is mainly responsible for managing the commercial production and storage of the Group's biological products, including vaccines, monoclonal antibody and bispecific antibody. At the same time, he is responsible for supervising the purchase, construction, installation and maintenance of production facilities, equipment and supporting utility facilities.

Mr. HAN Chaowei has over 25 years of experience in the pharmaceutical industry. Prior to joining the Group, in March 1999, he joined Pfizer Pharmaceuticals Ltd., a company principally engaged in the production of sterile and non-sterile active ingredients, as a chemist. He then served at Pfizer Asia Pacific Pte. Ltd., a company principally engaged in development, manufacturing and marketing of medicines for humans and animals, since October 2001 as a laboratory supervisor. From February 2006 to April 2007, he worked at Livzon Pharmaceutical Group Inc. (麗珠醫藥集團股份有限公司), a pharmaceutical company dually listed on the Stock Exchange (stock code: 1513) and the Shenzhen Stock Exchange (stock code: 000513), which principally engaged in the research and development, production and sales of pharmaceutical products. From July 2007 to July 2010, he served as a quality director at ReLIA Biological Engineering Co., Ltd. (瑞萊生物工程股份有限公司) (formerly known as ReLIA Biological Engineering (Shenzhen) Co., Ltd. (瑞萊生物工程(深圳)有限公司), a company principally engaged in the production of diagnostic reagent and medical equipment, where he was primarily responsible for quality management. From May 2010, he served as a quality manager at Shanghai Baxter Healthcare Co., Ltd. (上海百特醫療用品有限公司), a company principally engaged in the production of sterile injection (soft bag packaging), where he was primarily responsible for quality management of factories. In 2011, he served as a deputy general manager of operation at ReLIA Biotechnology Jiangsu Co., Ltd. (瑞萊生物科技江蘇有限公司) (formerly known as ReLIA Biotechnology (Jiangsu) Co., Ltd. (瑞萊生物科技(江蘇)有限公司)), a company principally engaged in the production of diagnostic reagent and medical equipment, where he was primarily responsible for the construction and overall operation of factories in Jiangsu. From September 2016 to May 2020, he served as a vice president at Shenzhen Cheerland Biomedicine Investment Co., Ltd. (深圳市樂土生命科技投資有限公司), a company principally engaged in biomedicine and project investment.

Mr. HAN Chaowei obtained a bachelor degree in applied chemistry from Northeastern University (東北大學) in July 1997.

Dr. GAO Zhenglun (高正倫), aged 53, joined the Group in May 2024 as the deputy general manager of the Company, primarily responsible for managing the research and development of the Group's products.

Dr. GAO Zhenglun has over 20 years of experience in the biopharmaceutical industry, particularly in pipeline product development management. Prior to joining the Group, he worked at Beijing Simcere Sanroad Biological Products Co., Ltd. (北京先聲祥瑞生物製品股份有限公司) (listed on NEEQ, stock code: 873821) from November 2017 to April 2024, with his last position as director, primarily responsible for the company's technological operations. Before that, he had worked at other biotechnology companies including Guoke Rongan Biotechnology (Beijing) Co., Ltd. (國科戎安生物科技(北京)有限公司), Beijing Minhai Biotechnology Co., Ltd. (北京民海生物科技有限公司) and Sinovac Biotech Co., Ltd. (北京科興生物製品有限公司), with responsibilities covering research and development, production, quality management, project management, and product licensing.

Dr. GAO Zhenglun obtained his doctorate degree in biochemistry and molecular biology from the School of Life Sciences of Jilin University in December 2007.

The ages of the Directors, Supervisors and members of the senior management appearing above are their ages as of the date of this report.

Save as disclosed above, each Director, Supervisor and member of the senior management confirms with respect to himself/herself that he/she has not held any directorship in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

JOINT COMPANY SECRETARIES

Mr. LIU Siyu (劉斯宇) joined the Company on September 1, 2021 and serves as a joint company secretary of the Company. He was appointed as the joint company secretary of the Company on June 18, 2022. For further biographic details of Mr. LIU Siyu, see "—Senior Management" in this section.

Ms. YUEN Wing Yan, Winnie (袁穎欣), joined the Company as the joint company secretary of the Company from December 16, 2022 to March 18, 2026. She was a director of company secretarial services department of Tricor Services Limited, and she has been providing professional corporate services to various Hong Kong listed companies as well as multinational, private and offshore companies. Ms. YUEN Wing Yan, Winnie has over 25 years of experience in the corporate secretarial field.

Ms. YUEN Wing Yan, Winnie is a Chartered Secretary, a Chartered Governance Professional and a fellow of both The Hong Kong Chartered Governance Institute (HKCGI) (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (CGI) (formerly known as The Institute of Chartered Secretaries and Administrators) in the U.K..

Ms. LAI Ho Yan (賴浩恩), was appointed as the joint company secretary of the Company on March 18, 2026. She is currently a senior manager of the company secretarial services department of Tricor Services Limited. Ms. LAI Ho Yan has over 9 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. LAI Ho Yan obtained a bachelor of business administration in financial services and a master of corporate governance from The Hong Kong Polytechnic University in September 2016 and September 2020, respectively. She also obtained a bachelor of laws from Manchester Metropolitan University in July 2024.

Ms. LAI Ho Yan is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute (HKCGI) and The Chartered Governance Institute (CGI) in the U.K..

Both Ms. YUEN Wing Yan, Winnie and Ms. LAI Ho Yan are not employees of the Company but has/will coordinate with Mr. LIU Siyu, the other joint company secretary, in discharging Mr. LIU Siyu's duties as the joint company secretary of the Company.

CHANGES IN DIRECTORS' AND SUPERVISORS' INFORMATION

Save as disclosed in this report, as of the date of this report, the Directors and the Supervisors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Report of the Directors

The Directors are pleased to present this report and the audited consolidated financial statements of the Group for the year ended December 31, 2025.

DIRECTORS

The Directors who held office from January 1, 2025 and up to the date of this report are:

Executive Directors:

Mr. KONG Jian (孔健) *(Chairman)*
Ms. JIANG Xianmin (蔣先敏) *(retired as executive Director with effect from September 15, 2025)*
Ms. PENG Ling (彭玲) *(appointed with effect from September 15, 2025; ceased to be a Supervisor with effect from September 15, 2025)*
Ms. ZHANG Yanping (張琰平)

Non-executive Directors:

Mr. MA Biao (馬驫)
Mr. KONG Shuangquan (孔雙泉)

Independent Non-executive Directors:

Ms. HOU Aijun (侯愛軍) *(appointed as lead independent non-executive Director with effect from June 27, 2025)*
Mr. LEUNG Wai Yip (梁偉業)
Mr. LIANG Yeshi (梁冶矢)

Biographical details of the current Directors are set out in the section headed "Directors, Supervisors and Senior Management" on pages 21 to 25 of this report.

PRINCIPAL ACTIVITIES

The Company is a biotechnology company committed to developing innovative human vaccines and therapeutic biologics to prevent and control infectious diseases and treat cancer and autoimmune diseases, and Beijing Luzhu is a wholly-owned subsidiary of the Company.

The Group focuses on human medicine and has established technology platforms with its understanding of immunology and protein engineering, which empowers the Group to develop its recombinant vaccine and antibody product candidates with favorable efficiency, high purity and improved stability.

An analysis of the Company's results of operations for the year ended December 31, 2025 is set out in the section headed "Management Discussion and Analysis" in this report.

BUSINESS REVIEW

A fair review of the business of the Group as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising a discussion and analysis of the Group's performance during the year, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year, and an indication of likely future development in the business of the Group are provided in the section headed "Chairman's Statement", "Management Discussion and Analysis" and "Report of the Directors" of this report. All such discussions form part of this report.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

Major Customers

During the Reporting Period, the Group had no commercialized product and therefore had no customers.

Major Suppliers

During the Reporting Period, the Group's major suppliers primarily consisted of (i) suppliers of raw materials and consumables for the Group's vaccine and therapeutic biologics development, (ii) construction service providers, (iii) property leasing providers, and (iv) CROs, who provide third-party contracting services for research and development.

The purchases of the Group from its five largest suppliers for the Reporting Period amounted to RMB60.0 million (2024: RMB85.8 million), accounted for 42.6% (2024: 42.8%) of the Group's total purchases. The purchases of the Group from its largest supplier for the Reporting Period amounted to RMB23.3 million (2024: RMB28.9 million), accounted for 16.6% (2024: 14.4%) of the Group's total purchases. During the Reporting Period, all of the Group's five largest suppliers were independent third parties. None of the Directors, Supervisors, their respective associates nor any Shareholder who, to the knowledge of the Directors, owned more than 5% of the issued share capital of the Company as of the date of this report, had any interest in any of the Group's five largest suppliers during the Reporting Period.

During the year ended December 31, 2025, the Group did not experience any significant disputes with its customers or suppliers.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Risks Relating to the Research and Development of Product Candidates

- The business and financial prospects of the Group depend substantially on the success of the Group's clinical stage and pre-clinical stage product candidates, and the Group may be unable to successfully complete their clinical development, obtain relevant regulatory approvals or achieve their commercialization, or may experience significant delays in doing so.

- The Group may not successfully complete clinical trials or procedures relating to its product candidates or demonstrate safety and efficacy of its product candidates to the satisfaction of regulatory authorities, and many of the Group's product candidates are in early-stage of clinical trials and thus face higher risks of clinical trial failure.

- Results of earlier clinical trials may not be predictive of results of later-stage clinical trials.

- The Group may be unable to identify, discover, or develop new product candidates, or to identify additional therapeutic opportunities for its product candidates, in order to expand or maintain its product pipeline.

- The data and information that the Group gathers in its research and development process could be inaccurate or incomplete.

- If the Group encounters difficulties or delays in enrolling subjects in its clinical trials, its clinical development activities could be delayed or otherwise adversely affected.

- In conducting research and development, the Group faces potential liabilities, in particular, product liability claims or lawsuits that could cause the Group to incur substantial liabilities.

Risks Relating to Sales and Distribution of Product Candidates

- The recession or eradication of the infectious diseases that the Group's vaccine candidates target and the availability of alternative vaccines or treatment technologies may adversely affect the sales of the Group.

- Failure to secure cooperation with qualified cold-chain logistics providers may cause great risk of damage to the Group's future vaccine products and damage the Group's reputation and business.

- The Group expects to sell most of its future vaccine products to CDCs in China, which exposes the Group to uncertainties associated with the government funding and budgeting process.

- Product candidates of the Group may be excluded or removed from national, provincial or other government-sponsored medical insurance programs.

Risks Relating to Manufacture and Supply of Product Candidates

- Manufacturing pharmaceutical products on a large commercial scale is highly exacting and complex, and the Group may encounter problems during the process.

- Any failure to perform proper quality control and quality assurance would have a material adverse effect on the Group's business and financial results.

- The Group's future vaccine and therapeutic biologics products, like any other biologic product, may involve risks of contamination.

Risks Relating to Cooperation with Third Parties

- The Group may not realize any or all benefits of collaboration, alliances or licensing arrangements, and disputes may arise between the Group and its current or future collaboration partners.

- As the Group works with various third parties to conduct a certain number of its pre-clinical studies and clinical trials, it may not be able to obtain regulatory approval for, or commercialize, its product candidates, or experience delay in doing so if these third parties do not successfully carry out their contracted duties or meet expected deadlines.

- The Group is exposed to various supply chain risks as it depends on a stable, adequate and quality supply of raw materials, technical services, equipment and infrastructure construction services, and any price increases or interruptions of such supply may have a material adverse effect on the Group's business.

Risks Relating to Extensive Governmental Regulations

- All material aspects of the research, development, manufacturing and commercialization of the Group's product candidates are heavily regulated.

- Approval pathway for biosimilars in China remains fluid, which may adversely affect the regulatory approval of the Group's biosimilar product candidate.

- After the Group receives regulatory approvals for its product candidates, the Group will be subject to ongoing or additional regulatory obligations and continued regulatory review.

- The Group may be unable to obtain or renew certain approvals, licenses, permits and certificates required for its business.

Risks Relating to Intellectual Property Rights

- If the Group is unable to obtain and maintain adequate patent and other intellectual property protection for its product candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could compete directly against the Group and its ability to successfully develop and commercialize any of its product candidates would be materially and adversely affected.

- Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by governmental patent agencies, and the Group's patent protection could be reduced or eliminated for non-compliance with these requirements.

- The scope of the Group's patent protection may be uncertain, and the Group's current or any future patents may be challenged and invalidated even after issuance.

- Even if the Group is able to obtain patent protection for its product candidates, the term of such protection, if any, is limited, and third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against the Group after the expiration of the Group's patent rights.

Risks Relating to Financial Position and Need for Additional Capital

- The Group incurred net losses and net operating cash outflows during the Reporting Period, and it may continue to incur net losses and net operating cash outflows.
- The Group may need to obtain additional financing to fund its expansion of research and development and its operations, and it may not have access to sufficient funding.
- The Group has historically received government grants and it may not receive such grants or subsidies in the future.
- Share-based payment may cause shareholding dilution to existing Shareholders and have a negative effect on the financial performance of the Group.
- The Group is exposed to credit risks associated with its investment in certain wealth management products.
- The Group may face the risk of a decline in expected future profits due to changes in industry tax policies.

Risks Relating to General Operations

- The Group may fail to sufficiently and promptly respond to clinical demand and market changes in the pharmaceutical industry.
- Business disruptions could seriously harm the Group's future revenue and financial condition and increase its costs and expenses.
- The Group's success depends on its key senior management members and its ability to attract, train, motivate and retain highly skilled scientists and other technical personnel.
- The Group may encounter difficulties in managing its growth and expanding its operations successfully.
- Negative publicity and allegations involving the Group, its Shareholders, Directors, management personnel, employees and business partners may affect its reputation, business and growth prospects.

Risks Relating To Doing Business in China

- The approval of, or filing with, CSRC or other regulatory authorities may be required in connection with the Group's future offering activities, and it cannot be predicted whether the Group will be able to obtain all necessary approval or complete such filing.
- The pharmaceutical industry in China is highly regulated and such regulations are subject to change, which may affect approval and commercialization of the Group's product candidates.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. For further details, please refer to the "Environmental, Social and Governance Report" of the Group.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

DIVIDENDS

The Board does not recommend the distribution of a final dividend for the Reporting Period.

There is no arrangement that a Shareholder has waived or agreed to waive any dividend.

Pursuant to the Notice of the State Administration of Taxation on Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), individuals who are resident outside the PRC and who hold shares issued in Hong Kong by domestic non-foreign invested enterprises enjoy preferential tax rate in accordance with the tax conventions between Mainland China and the country where the residents reside and the tax arrangements between the Mainland China and Hong Kong (Macao). Individual shareholders will be generally subject to a withholding tax rate of 10% when domestic non-foreign invested enterprises which issue shares in Hong Kong distribute dividends to their shareholders, unless otherwise required by the regulations of relevant tax laws and tax conventions. Pursuant to the Notice on the Issues Concerning Withholding the Enterprises Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Who Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) of the State Administration of Taxation, the Company is obliged to withhold and pay enterprise income tax at the rate of 10% from dividends paid or payable for H Shares when distributing dividends to non-resident enterprise shareholders of H Shares. No tax is payable in Hong Kong in respect of dividends paid by the Company according to the current practice of the Hong Kong Inland Revenue Department. Shareholders are recommended to consult their tax advisors regarding the tax implication in the PRC, Hong Kong and other tax implications arising from their holding and disposal of H Shares.

DIVIDEND POLICY

No dividends was declared or paid by the Company or other entities comprising the Group during the Reporting Period. The Company has adopted a policy on payment of dividends, please refer to the section headed "Corporate Governance Report – Dividend Policy" of this report for details.

BIOGRAPHIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The biographical details of the Directors, Supervisors and the senior management of the Company are set in the section headed "Directors, Supervisors and Senior Management" on pages 21 to 31 of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in note 15 to the consolidated financial statements in this report.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Reporting Period are set out in note 27 to the consolidated financial statements in this report.

SHARE SCHEME

The Company had adopted the Employee Incentive Scheme prior to the Listing and all interests thereunder had been granted prior to the Listing. For details, please refer to "Employee Incentive Scheme" in this section.

THE 2025 SHARE AWARD SCHEME

As of the date of this report, the Company has adopted a share award scheme effective from June 13, 2025 with terms in compliance with the current provisions of Chapter 17 of the Listing Rules (the "**2025 Share Award Scheme**" or "**Scheme**"). The 2025 Share Award Scheme is funded by both new H Shares and treasury Shares and therefore constitute a share scheme involving issue of new shares under Chapter 17 of the Listing Rules.

The Company did not grant any share awards under the 2025 Share Award Scheme during the financial year ended December 31, 2025.

The purposes of the 2025 Share Award Scheme are to provide the selected participants of the 2025 Share Award Scheme (the "**Selected Participants**") with an opportunity to obtain a proprietary interest in the Company, to provide incentives to Selected Participants to contribute to the Company and to enable the Company to recruit and retain high-caliber employees and attract human resources that are valuable to the Group. The Selected Participants are who in the absolute discretion of the Board have contributed to the Group on the basis of their contribution to the development and growth of the Group will be qualified as eligible participants to participate in the 2025 Share Award Scheme.

The Selected Participants include: director(s) (including executive director(s) and non-executive director(s) but excluding independent non-executive director(s)) and employee(s) (whether full-time or part-time) of the member of the Group (the "**Employer**"), including persons who are granted Awarded Shares (as defined below) as an inducement to enter into employment contracts with the Employer but excluding an employee or director who has submitted his/her resignation to his/her Employer or whose contract of employment has been terminated (summarily dismissed or otherwise) by his/her Employer; except for those who is/are resident(s) in a place where the grant of an award and/or the vesting and transfer of the awarded shares pursuant to the terms of the Scheme is not permitted under the laws or regulations of such place or where in the view of the Board, compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such participant.

Pursuant to the 2025 Share Award Scheme, the total number of Shares which may be allotted and issued (in the case of new shares) and/or transferred (in the case of treasury shares) in respect of all awards to be granted under this Scheme and other scheme options and awards must not exceed 10 per cent of the Shares (i.e. 19,922,983 Shares) in issue (excluding treasury Shares) as of the adoption date of the 2025 Share Award Scheme.

The Board is entitled to impose any conditions, as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares to the Selected Participant, and shall inform such Selected Participant the relevant vesting conditions of the award and the Awarded Shares.

The Board or the Remuneration Committee (if authorized by the Board) is entitled to impose any conditions, as it deems appropriate in its absolution discretion with respect to the vesting of the H Shares as awarded by the Board (the "**Awarded Shares**") to the Selected Participant and shall set out such conditions in the letter of grant to the Selected Participant. Notwithstanding any other provisions of the Scheme, subject to applicable law and regulations, the Board or the Remuneration Committee (if authorized by the Board) shall be at liberty to waive any vesting conditions. The Board or the Remuneration Committee (if authorized by the Board) may in its absolute discretion set performance targets to be achieved before the vesting of the Awarded Shares to the Selected Participant, including but not limited to, and where appropriate, (i) R&D milestones of the Group, (ii) development status of the products and product candidates of the Group; (iii) operational and financial performance of the Group, (iv) the individual's overall performance indicators (e.g. strategic driving abilities, talent development capabilities, inter-departmental cooperation capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal procedures). The finance and human resources department will propose the performance targets (if any) of each Selected Participant to the Board or the Remuneration Committee (as the case may be) for consideration, who will then assess the reasonableness and suitability and confirm such performance targets. In relation to the award of the Awarded Shares by the Board (the "**Award(s)**") granted to the Directors and senior management of the Company, the performance targets, or the absence of such, shall be further subject to the approval of the Remuneration Committee and any other requirements under the Listing Rules. The Group will utilize its internal assessment system to appraise and evaluate the performance targets applicable to each grant of Awards on a case-by-case basis. The Company will evaluate the actual performance and contribution of a Selected Participant for the past financial year against the performance targets set and form a view as to whether the relevant performance targets have been fulfilled. The assessment will be based on the individual's overall performance, performance of the team or department that the Selected Participant belongs to and the performance of the Group as a whole. Specific weightings will be given to the various factors identified above, with reference to the position and role of the Selected Participant in the Group, in order to provide a fair and objective appraisal. The Board or the Remuneration Committee (if authorized by the Board) shall have the sole discretion in determining whether the relevant performance targets for the Selected Participant have been met. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant letter of grant.

The minimum vesting period in respect of any Awarded Shares granted to any Selected Participant is 12 months.

Subject to otherwise determined by the Board at its sole discretion or as required by applicable laws in respect of the consideration (if any) for the acceptance of any Award or purchase of any Awarded Shares which shall be stated in the letter of grant, Selected Participants (i) are not required to make any payment to the Company to accept an Award granted, and (ii) are not required to pay any purchase price to purchase any Awarded Shares or may only be required to pay a nominal value to purchase any Awarded Shares.

Unless otherwise terminated, the 2025 Share Award Scheme should be valid and effective for a period of ten years commencing from its adoption on June 13, 2025 (i.e. the remaining life of the Scheme as of the date of this annual report is approximately 9 years).

Awards Granted/Available for Future Grant under the 2025 Share Award Scheme

As at the beginning date of the Scheme (i.e. June 13, 2025), the number of share awards available for future grant pursuant to the scheme mandate limit under the 2025 Share Award Scheme, were 19,922,983 Shares. As at the end of the year (i.e. December 31, 2025), the number of share awards available for future grant pursuant to the scheme mandate limit under the 2025 Share Award Scheme were 19,922,983 Shares.

No share awards have been granted or agreed to be granted by the Company since the conditional adoption of the 2025 Share Award Scheme. As at December 31, 2025, the total number of Shares available for issue (which represents the share awards available for future grant) under the 2025 Share Award Scheme, were 19,922,983 Shares which represent approximately 10.0% of the total issued Shares (excluding treasury Shares) as at December 31, 2025.

BANK BORROWINGS

Particulars of bank borrowings of the Group as of December 31, 2025 are set out in the section headed "Management Discussion and Analysis" in this report and note 25 to the consolidated financial statements in this report.

DONATIONS

The Group did not make any charitable or other donations during the Reporting Period (2024: nil).

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and of the Company during the Reporting Period are set out in the consolidated statement of changes in equity and note 38 to the consolidated financial statements in this report.

As of December 31, 2025, the Company did not have any distributable reserves (2024: nil).

EQUITY LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing Shares nor require the Company to enter into an agreement that will or may result in the Company issuing Shares was entered into by the Company during the Reporting Period or subsisted at the end of the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of the PRC, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

FINANCIAL SUMMARY

A summary of the Company's results and assets and liabilities for the last five financial years are set out in the section headed "Financial Summary" of this report. This summary does not form part of the audited consolidated financial statements.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors has entered into a service contract or letter of appointment with the Company. The terms of the Directors and Supervisors shall not exceed three years and shall be subject to the provisions of re-election under the Articles of Association.

REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' and Supervisors' remuneration and the five highest paid individuals of the Group are set out in notes 11 and 12 to the consolidated financial statements in this report.

EMOLUMENT POLICY

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's, Supervisor's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee.

None of the Directors and Supervisors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors and Supervisors as an inducement to join, or upon joining the Group, as compensation for loss of office. Details of the remuneration of the Directors, Supervisors, senior management and the five highest paid individuals of the Group are set out in notes 11 and 12 to the consolidated financial statements in this report.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No Controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries was a party during the Reporting Period.

DIRECTORS' AND SUPERVISORS' MATERIAL INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, none of the Directors, Supervisors nor any entity connected with the Directors or Supervisors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the Reporting Period.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

Save as disclosed in the section headed "Directors, Supervisors and Senior Management" in this report and save for their respective interests in the Group, none of the Directors, Supervisors and the Controlling Shareholders were interested in any business which competes or is likely to compete with the businesses of the Group during the Reporting Period.

From time to time the non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biopharmaceutical industries. However, as these non-executive Directors are neither Controlling Shareholders nor members of the executive management team of the Group, the Directors do not believe that interests of such non-executive Directors in such companies as directors would render the Group incapable of carrying on its business independently from the other companies in which they may hold directorships from time to time.

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

During the Reporting Period, the Company repurchased from the market a total of 2,075,800 H Shares at an aggregate consideration of approximately HK$46.6 million (equivalent to approximately RMB43.1 million), and such repurchases were funded by the internal resources of the Group. Further details of the repurchases are set out below:

Month of repurchase	Number of H Shares repurchased	Highest purchase price per H Share *HK$*	Lowest purchase price per H Share *HK$*	Aggregate consideration paid *HK$*
May 2025	1,759,200	23.00	21.95	39,713,280
July 2025	316,600	22.50	20.70	6,840,690

The repurchases of the Company's H Shares by the Company during the year were made pursuant to the mandate granted by the Shareholders at the last annual general meeting of the Company held on June 12, 2025.

The Directors consider that the repurchases would lead to an enhancement of the net asset value per Share and/or earnings per Share, and would benefit the Company and the Shareholders as a whole.

As of December 31, 2025, the Company held a total of 3,535,800 H Shares in treasury. As of the date of this report, such repurchases were likewise funded by the Group's internal resources, and the repurchased H Shares are held by the Company as treasury shares, and may be used by the Company to fund the 2025 Share Award Scheme. For details of the repurchases of H Shares being maintained as treasury Shares, please refer to note 27 of the consolidated financial statements in this report.

As at December 31, 2025 and up to the date of this report, the total number of Shares in issue are 202,449,032 H Shares (including the treasury Shares).

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

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

As of December 31, 2025, the interests and short positions of the Directors, Supervisors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out as follows:

(i) Interest in Shares and underlying Shares

Name of Directors/ Supervisors	Nature of Interest	Number of H Shares[1]	Approximate percentage of shareholding in the total issued Shares[8][9]
Mr. KONG	Beneficial interest	58,294,513	28.79%
	Interest of spouse[2]	20,200,000	9.98%
	Interest in controlled corporation[3]	11,759,700	5.81%
	Interest in treasury Shares[4]	3,535,800	1.75%
Ms. PENG Ling	Interest in controlled corporation[7]	11,759,700	5.81%
Ms. ZHANG	Beneficial interest	20,200,000	9.98%
	Interest of spouse[2]	73,590,013	36.35%
Mr. MA Biao	Interest in controlled corporation[5][6]	51,721,196	25.55%
Ms. KONG Xi	Beneficial interest	550,000	0.27%
Mr. CHEN Liang	Beneficial interest	400	0.0002%

Notes:

(1) All interests stated are long positions.

(2) Mr. KONG and Ms. ZHANG are the spouse of each other. Accordingly, they are deemed to be interested in the same number of Shares that the other person is interested in for the purpose of the SFO.

(3) As of December 31, 2025, Mr. KONG was the sole general partner of Hengqin Luzhu LP. Therefore, Mr. KONG is deemed to be interested in the Shares held by Hengqin Luzhu LP under the SFO.

(4) As of December 31, 2025, there were 3,535,800 Shares repurchased by our Company. Mr. KONG, one of the Controlling Shareholders and Directors, would be taken to have an interest in such treasury Shares held by our Company.

(5) As of December 31, 2025, (i) E-town Sun was the general partner and fund manager of Beijing Yizhuang and Beijing Yizhuang II, and in turn E-town Sun was owned as to approximately 34.00% and 46.00% by Saiding Fangde and Saide Ruibo, respectively; and (ii) Mr. MA Biao and Mr. MA Jianan (馬嘉楠) (the son of Mr. MA Biao) were the respective general partner of Saiding Fangde and Saide Ruibo, holding approximately 60.00% and 80.00% partnership interest thereof, respectively. Further, Saiding Fangde and Saide Ruibo have confirmed that they are acting in concert with respect to their shareholdings in E-town Sun. Accordingly, under the SFO, (i) E-town Sun is deemed to be interested in the Shares held by Beijing Yizhuang and Beijing Yizhuang II; (ii) Saiding Fangde and Saide Ruibo are deemed to be interested in the Shares in which E-town Sun is interested; (iii) Mr. MA Biao is deemed to be interested in the Shares in which Saiding Fangde is interested; and (iv) Mr. MA Jianan is deemed to be interested in the Shares in which Saide Ruibo is interested.

(6) Mr. MA Biao is the Actual Controller of Beijing Science Sun and held approximately 49.51% of the issued shares of Beijing Science Sun as of December 31, 2025. Mr. MA Biao is therefore deemed to be interested in the Shares held by Beijing Science Sun under the SFO.

(7) Hengqin Luzhu LP was owned as to 40.67% by Beijing Luzhu Kangrui Enterprise Management Partnership (Limited Partnership) (北京綠竹康瑞企業管理合夥企業(有限合夥)) ("**Beijing Luzhu Kangrui**"), and Ms. PENG Ling was the general partner of Beijing Luzhu Kangrui. Accordingly, under the SFO, (i) Beijing Luzhu Kangrui is deemed to be interested in the Shares held by Hengqin Luzhu LP; and (ii) Ms. PENG Ling is deemed to be interested in the Shares in which Beijing Luzhu Kangrui is interested in.

(8) As of December 31, 2025, the total issued Shares were 202,449,032 H Shares (including 3,535,800 Shares held by the Company in treasury).

(9) The Shares that are held by the Company in treasury are included for the purpose of calculating the percentage of shareholding.

(ii) Interest in associated corporations

To the best knowledge of the Directors, as of December 31, 2025, none of the Directors, Supervisors or chief executives of the Company had interests or short positions in the Shares, underlying Shares or debentures of the associated corporations of the Company.

Save as disclosed above, as of December 31, 2025, none of the Directors, Supervisors or 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 Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO; or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2025, to the best knowledge of the Directors, the following persons (other than the Directors, Supervisors or chief executives of the Company as disclosed above) had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register of the Company maintained under Section 336 of the SFO:

Name of Shareholders	Nature of Interest	Number of H Shares[1]	Approximate percentage of shareholding in the total issued Shares[8]
Hengqin Luzhu LP	Beneficial interest	11,759,700	5.81%
Beijing Luzhu Kangrui	Interest in controlled corporation[2]	11,759,700	5.81%
E-town Sun	Interest in controlled corporation[3]	37,969,696	18.76%
Saiding Fangde	Interest in controlled corporation[3]	37,969,696	18.76%
Saide Ruibo	Interest in controlled corporation[3]	37,969,696	18.76%
Mr. MA Jianan (馬嘉楠)	Interest in controlled corporation[3]	37,969,696	18.76%
Beijing Science Sun[4]	Beneficial interest	13,751,500	6.79%
Beijing Yizhuang[4]	Beneficial interest	19,645,000	9.70%
Beijing Yizhuang II[4]	Beneficial interest	18,324,696	9.05%
CCB International Capital Management (Tianjin) Ltd. (建銀國際資本管理(天津)有限公司) ("**CCB Capital**")	Beneficial interest	11,337,075	5.60%
CCB International (China) Limited (建銀國際(中國)有限公司) ("**CCB China**")	Interest in controlled corporation[5]	11,337,075	5.60%
CCB International (Holdings) Limited (建銀國際(控股)有限公司) ("**CCB Holdings**")	Interest in controlled corporation[5]	11,337,075	5.60%
CCB Financial Holdings Limited (建行金融控股有限公司) ("**CCB Financial**")	Interest in controlled corporation[5]	11,337,075	5.60%
CCB International Group Holdings Limited (建行國際集團控股有限公司) ("**CCB Group**")	Interest in controlled corporation[5]	11,337,075	5.60%
China Construction Bank Corporation (中國建設銀行) ("**China Construction Bank**")	Interest in controlled corporation[5]	11,337,075	5.60%
Central Huijin Investment Ltd. ("**Central Huijin**")	Interest in controlled corporation[5]	11,337,075	5.60%
Herui Venture Capital Fund Management (Shenzhen) Co., Ltd. (和瑞創業投資基金管理(深圳)有限公司) ("**Herui VC**")	Interest in controlled corporation[5]	10,000,744	4.94%
Mr. CHEN Ruolin (陳若霖)	Interest in controlled corporation[5]	10,000,744	4.94%
Mr. WANG Zhixian (王智顯)	Interest in controlled corporation[5]	10,000,744	4.94%

Notes:

(1) All interests stated are long positions.

(2) As of December 31, 2025, Hengqin Luzhu LP was owned as to approximately 40.67% by Beijing Luzhu Kangrui, and Ms. PENG Ling was the general partner of Beijing Luzhu Kangrui. Accordingly, under the SFO, (i) Beijing Luzhu Kangrui is deemed to be interested in the Shares held by Hengqin Luzhu LP; and (ii) Ms. PENG Ling is deemed to be interested in the Shares in which Beijing Luzhu Kangrui is interested in.

(3) As of December 31, 2025, (i) E-town Sun was the general partner and fund manager of Beijing Yizhuang and Beijing Yizhuang II, and in turn E-town Sun was owned as to approximately 34.00% and 46.00% by Saiding Fangde and Saide Ruibo, respectively; and (ii) Mr. MA Biao and Mr. MA Jianan (the son of Mr. MA Biao) were the respective general partner of Saiding Fangde and Saide Ruibo, holding approximately 60.00% and 80.00% partnership interest thereof, respectively. Further, Saiding Fangde and Saide Ruibo have confirmed that they are acting in concert with respect to their shareholdings in E-town Sun. Accordingly, under the SFO, (i) E-town Sun is deemed to be interested in the Shares held by Beijing Yizhuang and Beijing Yizhuang II; (ii) Saiding Fangde and Saide Ruibo are deemed to be interested in the Shares in which E-town Sun is interested; (iii) Mr. MA Biao is deemed to be interested in the Shares in which Saiding Fangde is interested; and (iv) Mr. MA Jianan is deemed to be interested in the Shares in which Saide Ruibo is interested.

(4) As Beijing Yizhuang and Beijing Yizhuang II share the same general partner and fund manger, i.e. E-town Sun, which in turn is regarded as having the same Actual Controller as Beijing Science Sun (i.e. Mr. MA Biao), Beijing Yizhuang, Beijing Yizhuang II and Beijing Science Sun are regarded as a group of substantial Shareholders.

(5) As of December 31, 2025, (i) CCB Capital was wholly-owned by CCB China, and in turn CCB China was wholly-owned by CCB Holdings; (ii) CCB Holdings was wholly-owned by CCB Group via CCB Financial; and (iii) CCB Group was wholly-owned by China Construction Bank. China Construction Bank is a listed company on the Shanghai Stock Exchange (stock code: 601939) and was owned as to approximately 54.61% by Central Huijin. Accordingly, each of CCB China, CCB Holdings, CCB Financial, CCB Group, China Construction Bank and Central Huijin is deemed to be interested in the Shares in which CCB Capital is interested in under the SFO.

(6) As of December 31, 2025, (i) Herui VC was the general partner and fund manager of Jinjiang Zhenrui Equity Investment Partnership (Limited Partnership) (晉江禎睿股權投資合夥企業(有限合夥)) ("**Jinjiang Zhenrui**") and Jinjiang Xuanhong No.1 Equity Investment Partnership (Limited Partnership) (晉江軒弘壹號股權投資合夥企業(有限合夥)) ("**Jinjiang Xuanhong**"); and (ii) Herui VC was owned as to approximately 40.00%, 40.00% and 20.00% by Mr. Chen Ruolin (陳若霖), Mr. WANG Zhixian (王智顯) and Mr. LIN Bei (林貝), respectively. Jinjiang Zhenrui and Jinjiang Xuanhong respectively held 7,776,050 Shares and 2,224,694 Shares as of December 31, 2025. Accordingly, under the SFO (i) Herui VC is deemed to be interested in the Shares held by Jinjiang Zhenrui and Jinjiang Xuanhong; and (ii) each of Mr. Chen Ruolin and Mr. WANG Zhixian is deemed to be interested in the Shares in which Herui VC is interested.

(7) As of December 31, 2025, the total issued Shares 202,449,032 H Shares (including 3,535,800 Shares held by the Company in treasury).

(8) The Shares that are held by the Company in treasury are included for the purpose of calculating the percentage of shareholding.

Save as disclosed above, to the best of knowledge of the Directors, as of December 31, 2025, there was no other person (other than the Directors, the Supervisors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register maintained under Section 336 of the SFO.

EMPLOYEE INCENTIVE SCHEME

The Company adopted an employee incentive scheme ("**Employee Incentive Scheme**") on December 15, 2021 prior to the Listing. The Employee Incentive Scheme does not involve the grant of new Shares, nor options to subscribe for new Shares. Instead, eligible participants, being employees and consultants of the Group, are granted interests in Hengqin Luzhu LP, the Group's employee incentive platform. All interests under the Employee Incentive Scheme had been granted and vested prior to the Listing. Please refer to "B. Further Information about the business of our Company – 3. Employee Incentive Scheme" in Appendix VII to the Prospectus for a summary of the principal terms of the Employee Incentive Scheme.

The Company further adopted the 2025 Share Award Scheme, for further details, please refer to pages 38 to 40 of this report.

DEED OF NON-COMPETITION

The Controlling Shareholders, entered into the Deed of Non-competition in favor of the Company, pursuant to which the Controlling Shareholders have irrevocably given certain non-competition undertakings to the Company. Details of the Deed of Non-competition are set out in the section headed "Relationship with Controlling Shareholders – Deed of Non-Competition" in the Prospectus. The Controlling Shareholders have made an annual declaration with regards to the full compliance with the terms in the Deed of Non-competition for the Reporting Period (the "**Declaration**"). Upon receiving the Declaration, the independent non-executive Directors have reviewed the same as part of the annual review process. In view of the above, the independent non-executive Directors have confirmed that, as far as they can ascertain, there is no breach of the non-competition undertakings in the Deed of Non-competition given by the Controlling Shareholders.

MANAGEMENT CONTRACTS

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

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 35 to the consolidated financial statements in this report.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

MATERIAL LITIGATION

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

CONNECTED TRANSACTIONS

During the Reporting Period, there was no connected transaction or other continuing connected transaction of the Group which has to be disclosed in accordance with Chapter 14A of the Listing Rules.

MATERIAL RELATED PARTY TRANSACTIONS

The related party transactions conducted by the Group were set out in note 34 to the consolidated financial statements in this report. For the avoidance of doubt, such transactions disclosed therein were not regarded as connected transactions or were exempted from reporting, announcement and Shareholders' approval requirements under the Listing Rules.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and the Company has adopted the Corporate Governance Code* as its own code of corporate governance. The Corporate Governance Code has been applicable to the Company with effect from the Listing Date. Save for the deviation from Code Provision C.2.1 of the Corporate Governance Code where Mr. KONG Jian serves as both the chairman of the Board and the general manager of the Company, the Board is of the view that the Company has complied with the applicable code provisions as set out in the Corporate Governance Code during the Reporting Period. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the Corporate Governance Code.

* The amendments to the Corporate Governance Code effective on July 1, 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after July 1, 2025. For this report, the Company shall refer to the then effective Corporate Governance Code.

The Company's corporate governance principles and practices are set out in the "Corporate Governance Report" on pages 51 to 52 of this report.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code to regulate all dealings by Directors, Supervisors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and Supervisor, and all Directors and Supervisors have confirmed that they have complied with the applicable standards set out in the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No arrangement has been made by the Company or any of its subsidiaries for any Director or Supervisor to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and no rights to any Share or debt securities of the Company or any other body corporate were granted to any Director or Supervisor or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the Reporting Period.

PUBLIC FLOAT

As of the date of this report, based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules.

PERMITTED INDEMNITY

The Company has purchased appropriate liability insurance for its Directors and Supervisors, which provides appropriate cover for legal actions brought against the Directors and Supervisors arising from or in connection with the performance of their duties. The maximum sum insured amounts to USD10.0 million, and the annual premium payable amounts to USD13,300 in total.

ANNUAL GENERAL MEETING

The date of the AGM will be announced in due course. Shareholders should refer to details regarding the AGM in the circular of the Company, the notice of AGM and form of proxy accompanying thereto to be published and dispatched (if requested) by the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period.

AUDITOR

Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, is appointed as the auditor for the financial statements as for the Reporting Period prepared in accordance with IFRS. Such financial statements prepared in accordance with IFRS as stated herein this report have been audited by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, and a standard unqualified audit report has been issued.

During the Reporting Period, there was no change in the auditor of the Company.

Deloitte Touche Tohmatsu will retire at the forthcoming AGM and a resolution will be proposed at the forthcoming AGM to reappoint Deloitte Touche Tohmatsu as the auditor of the Company.

By order of the Board of
Beijing Luzhu Biotechnology Co., Ltd.
KONG Jian
Chairman of the Board and Executive Director

April 23, 2026

Report of the Supervisory Board

REPORT OF THE SUPERVISORY BOARD FOR 2025

With the joint efforts and due diligence of all Supervisors and in accordance with the relevant laws and regulations such as the PRC Company Law, and the provisions of the Articles of Association, etc., in the spirit of being responsible to all Shareholders, conscientiously performed the duties and powers bestowed upon it by relevant laws and regulations, actively and effectively carried out the work, supervised the production and operation of the Company, related parties transactions, financing, financial status and other major matters, as well as the performance of duties by the Directors and senior management of the Company, and safeguarded the legitimate rights and interests of the Company as well as its Shareholders and employees.

The work of the Supervisory Board in 2025 and the work plan for 2026 are hereby reported as follows:

I. Work of the Supervisory Board in 2025

In 2025, the Supervisory Board convened and held four meetings pursuant to the relevant laws and regulations. The notifying, convening and voting procedures for the meetings were in compliance with the requirements of the PRC Company Law and other laws and regulations as well as the Articles of Association and the rules of procedures of the Supervisory Board.

During the Reporting Period, no incidence of Directors or senior management prejudicing the Company's interests or violating the laws, regulations or the Articles was noted by the Supervisory Committee. The Company operates well in compliance with the law and has established sound financial policies and internal control and risk management systems. All the Supervisors have conducted their work and performed their duties and obligations with due diligence.

II. Work Plan for 2026

In 2026, the Supervisory Board will continue to strictly comply with the requirements of the law and regulations and the internal rules and systems of the Company to perform all its duties with due diligence and actively review each resolution and oversee the performance of duties by the Directors and senior management of the Company. The Supervisory Board will enhance its communication with the Board and the management, pay attention to the building of the Company's risk management and internal control systems and promote the improvement of the corporate governance structure and the operational compliance of the Company.

The Supervisory Board
Beijing Luzhu Biotechnology Co., Ltd.

April 23, 2026

Corporate Governance Report

The Board is pleased to present the Company's corporate governance report in this annual report.

CORPORATE GOVERNANCE CULTURE AND VALUE

The Company is committed to ensuring that the Group's affairs are conducted in accordance with high ethical standards. This reflects the Company's belief that, in the achievement of its long-term objectives, it is imperative to act ethically and transparently with emphasis accountability. By doing so, the Company believes that Shareholder's value will be maximized in the long run and the Group's employees and business partners, as well as the communities in which the Group operates will all be benefited.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Group is committed to maintaining high standard of corporate governance entailing the following values to safeguard the interests of the Shareholders:

- to achieve sustainable returns to Shareholders;
- to safeguard the interests of those who deal with the Group;
- to ensure the overall business risk is understood and managed appropriately;
- to deliver high-quality products; and
- to maintain high standards of ethics.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and the Company has adopted the Corporate Governance Code* as its own code of corporate governance. The Corporate Governance Code has been applicable to the Company with effect from the Listing Date.

Pursuant to Code Provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. Mr. KONG Jian currently serves as both the chairman of the Board and the general manager of the Company. While this will constitute a deviation from Code Provision C.2.1 of the Corporate Governance Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that (i) the Board comprises three independent non-executive Directors, and the Directors believe that there is sufficient check and balance in the Board to protect the interests of the Group and the Shareholders; (ii) Mr. KONG Jian is a Controlling Shareholder, the Directors are of the view that vesting both roles on him helps to maintain the continuity of the policies and the stability of the operations of the Company. The Board will continue to review the effectiveness of the corporate governance structure of the Group from time to time in order to assess whether separation of the roles of chairman and general manager is necessary.

* The amendments to the Corporate Governance Code effective on July 1, 2025 will apply to corporate governance reports and annual reports for financial years commencing on or after July 1, 2025. For this report, the Company shall refer to the then effective Corporate Governance Code.

Save as disclosed above, the Company has complied with all applicable code provisions of the Corporate Governance Code during the Reporting Period. The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the Corporate Governance Code.

BOARD OF DIRECTORS

Composition of the Board

The Company is committed to the view that the Board should include a balanced composition of executive Directors, non-executive Directors and independent non-executive Directors so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

As of the date of this annual report, the Board consists of three executive Directors, namely Mr. KONG Jian (孔健), Ms. PENG Ling (彭玲), Ms. ZHANG Yanping (張琰平), two non-executive Directors, namely Mr. MA Biao (馬驫) and Mr. KONG Shuangquan (孔雙泉), and three independent non-executive Directors, namely Ms. HOU Aijun (侯愛軍), Mr. LEUNG Wai Yip (梁偉業) and Mr. LEUNG Yeshi (梁冶矢).

Ms. PENG Ling has been appointed as an executive Director with effect from September 15, 2025. In compliance with Rule 3.09D of the Listing Rules, Ms. PENG Ling has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on August 26, 2025 and has confirmed that she understood her obligations as a Director of a listed issuer.

Their biographical details are set out under "Directors, Supervisors and Senior Management" of this annual report. The overall management and supervision of the Group's operation and the function of formulating overall business strategies were vested in the Board. Mr. KONG Jian is the spouse of Ms. ZHANG Yanping. Other than that, there is no family or blood relationship among members of the Board.

Independence of the Board

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. The functions of independent non-executive Directors primarily pertain to supervising and providing independent opinions to the Board.

During the Reporting Period, the Board has at all times met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. The three independent non-executive Directors represent at least one-third of the Board, complying with the requirement under Rule 3.10A of the Listing Rules whereby independent non-executive directors of a listed issuer must represent at least one-third of the board. The Board believes that there is sufficient independence element in the Board to safeguard the interest of Shareholders.

The Company has multiple mechanisms in place to ensure independent views and input are available to the Board. When reviewing the structure, size and composition of the Board, the Nomination Committee puts emphasis on whether the composition of the Board is balanced and ensures that there is sufficient independence element on the Board. The independent non-executive Directors should be of sufficient and caliber and number for their views to carry weight.

Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate. External independent professional advice is available to all Directors, including independent non-executive Directors, whenever deemed necessary. The Company has also established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should circumstances require. The chairman of the Board at least annually holds a meeting with the independent non-executive Directors without the presence of other Directors.

The independent non-executive Directors possess extensive academic, professional and industry experience, and have consistently demonstrated strong commitment and the ability to devote sufficient time to discharge their responsibilities at the Board. Save as disclosed, each of the independent non-executive Directors does not hold any directorship in other public companies listed in Hong Kong. Mr. LEUNG Wai Yip, an independent non-executive Director, holds one directorship in another listed issuer on the Stock Exchange. The Nomination Committee considers that such other directorship does not impair his independence or affect his ability to allocate sufficient time and attention to fulfill his obligations as an independent non-executive Director for the Company.

Having considered the above, the Directors consider that for the Reporting Period, effective mechanisms had been put in place to ensure independent views and input are available to the Board, which allowed the Board to effectively exercise independent judgment to better safeguard Shareholder's interests.

Confirmation of Independence of Independent Non-Executive Directors

The independence of the independent non-executive Directors has been assessed in accordance with the applicable Listing Rules and each of the independent non-executive Directors has provided an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the guidelines for assessing independence set out in Rule 3.13 of the Listing Rules and are independent.

Directors' Responsibilities

The Board takes the responsibility to oversee the major matters of the Group, including but not limited to the formulation and approval of policy matters, overall strategies, internal control and risk management systems of the Group. The Board makes decisions objectively in the interests of the Company. Liability insurance for Directors is maintained by the Company with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

The Board has also delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Group's affairs, the Board has established three Board committees including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference. All Board committees are provided with sufficient resources to perform their duties.

Directors' Responsibilities for Financial Statements

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements of the Group are published in a timely manner. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements of the Group on a going concern basis.

Appointment and Re-Election of Directors

Pursuant to the requirements of the Articles of Association, Directors (including non-executive Directors and independent non-executive Directors) shall be elected at the general meeting with a term of three years. A Director may serve consecutive terms if re-elected upon the expiry of his/her term. The Company has implemented a set of effective procedures for the appointment of new Directors. The nomination of new Directors shall be first deliberated by the Nomination Committee and then submitted to the Board, subject to approval by Shareholders at the general meeting.

Each of the executive Directors, non-executive Directors, independent non-executive Directors and Supervisors has entered into a service contract or a letter of appointment with the Company with a specific term. Such term is subject to his/her retirement and re-election at the annual general meeting of the Company in accordance with the Articles of Association. The Company did not sign any relevant unexpired service contract which is not terminable within a year without payment of any compensation, other than statutory compensation.

Remuneration of Directors, Supervisors and Senior Management

The emoluments of the Directors, Supervisors and senior management of the Company are decided by the Board with reference to the recommendation given by the Remuneration Committee, in accordance with the remuneration policy which requires consideration be given to the Company's operating results, individual performance and comparable market statistics.

Details of the emoluments of the Directors, Supervisors and the five highest paid individuals are set out in notes 11 and 12 to the consolidated financial statements in this report.

During the Reporting Period, none of the Directors and Supervisors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors, Supervisors and the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Directors' Training and Professional Development

Pursuant to the requirements of Code Provision C.1.4 of the Corporate Governance Code, all Directors will continue to participate in continuous professional development and provide the Company with records of the training they received to ensure that their contributions to the Board remain informed and relevant. Every newly appointed Director will be given a comprehensive, formal and tailored induction on appointment. Subsequently, Directors will receive updates on the Listing Rules, legal and other regulatory requirements and the latest development of the Group's business. All Directors are encouraged to attend relevant training courses and the Company will arrange relevant trainings when necessary.

During the Reporting Period, the Company has provided the relevant materials including legal and regulatory updates to the Directors. Pursuant to the requirements of Code Provision C.1.4 of the Corporate Governance Code, all Directors, namely Mr. KONG Jian, Ms. PENG Ling, Ms. ZHANG Yanping, Mr. MA Biao, Mr. KONG Shuangquan, Ms. HOU Aijun, Mr. LEUNG Wai Yip and Mr. LIANG Yeshi, have provided the Company with records of the training they received.

As of December 31, 2025, the participation of all Directors in continuous professional development is summarized as follows:

	Areas of Topics						
Directors	**Roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness**	**Company's obligations, Directors' Duties and relevant legal and regulatory development**	**Corporate Governance/ ESG and Sustainable Development**	**Risk Management and Internal Control**	**Updates on industry-specific developments, business trends and strategies**	**Mode or Format of Attendance[1]**	**Total Hours**
Mr. KONG Jian	✓	✓	✓	✓	✓	A, B	10
Ms. JIANG Xianmin *(retired as an executive Director with effect from September 15, 2025)*	✓	✓			✓	A, B	6
Ms. PENG Ling *(appointed with effect from September 15, 2025; ceased to be a Supervisor with effective from September 15, 2025)*	✓	✓	✓	✓	✓	A, B	18.5
Ms. ZHANG Yanping	✓	✓	✓	✓	✓	A, B	10
Mr. MA Biao	✓	✓	✓	✓	✓	A, B	8
Mr. KONG Shuangquan	✓	✓	✓	✓	✓	A, B	8
Ms. HOU Aijun *(appointed as lead independent non-executive Director with effect from June 27, 2025)*	✓	✓	✓	✓	✓	A, B	7.5
Mr. LEUNG Wai Yip	✓	✓	✓	✓	✓	A, B	7.5
Mr. LIANG Yeshi	✓	✓	✓	✓	✓	A, B	7.5

Note:

(1) A: Seminars/training courses provided by internal or external providers (in-person or online)
B: Relevant training materials (self-study)

Pursuant to Rule 3.09H of the Listing Rules, first-time directors must complete no less than 24 hours of the continuous professional development within 18 months of the date of their appointment. Pursuant to paragraph B(i)(iii) of the Corporate Governance Code (with effect from July 1, 2025), as of the date of this annual report, Ms. PENG Ling, appointed as an executive Director with effect from September 15, 2025, has completed the required continuous professional development under Rule 3.09H of the Listing Rules.

Board Diversity Policy

The Company has adopted the board diversity policy ("**Board Diversity Policy**") which sets out the objective and approach for achieving and maintaining diversity of the Board in order to enhance its effectiveness. In accordance with the Board Diversity Policy, the Company seeks to achieve board diversity by taking into account a number of factors, including but not limited to gender, age, cultural and educational background, industry experience, race, professional qualification and knowledge.

The Board have set the measurable objectives for implementing the Board Diversity Policy which include having at least one female Board member. During the Reporting Period, the Board consisted of five male members and three female members, and both the Nomination Committee and the Board considers that the Board is diverse in gender. The Board targets to maintain at least the current level of female representation and will continue to seek opportunities to increase the proportion of female members over time as and when suitable candidates are identified, so as to achieve the objective of gender parity at Board level in the long run.

Having reviewed the membership and composition of the Board, the Company is of the view that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation.

The Nomination Committee has also reviewed the implementation of the Board Diversity Policy and considers it effective. The Board will continue to monitor the implementation and have continuous evaluation of the appropriateness and effectiveness of the Board Diversity Policy.

Nomination Policy

The primary responsibilities of the Nomination Committee include to consider and recommend to the Board suitable and qualified candidates of Directors and to review the structure, size and composition of the Board and the Board Diversity Policy on a regular basis.

The Nomination Committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from third-party agency firm, and proposals properly submitted by the Shareholders. The Board will consider the recommendations of the Nomination Committee and shall have the final decision on all matters relating to recommending candidates to stand for election at any general meeting or appointing the suitable candidate to act as the Director to fill the Board vacancies or as an addition to the Board members, subject to compliance with the Articles of Association. All appointments of Director should be confirmed by a letter of appointment and/or service contract setting out the key terms and conditions of the appointment of Directors.

The Nomination Committee will assess, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria including but not limited to:

- reputation for character and integrity;

- accomplishment and experience in the relevant industries in which the Group's business is involved and other professional qualifications;
- skills that are complementary to those of the existing Board;
- commitment for responsibilities of the Board in respect of available time and relevant interest;
- diversity in aspects including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
- contribution that the candidate(s) can potentially bring to the Board;
- plans in place for the orderly succession of the Board; and
- (in relation to the candidate(s) for independent non-executive directorship), factors set out in Rules 3.10(2) and 3.13 of the Listing Rules.

The Nomination Committee may also consider such other factors as it may deem to be in the best interests of the Company and the Shareholders as a whole. During the Reporting Period, Ms. JIANG Xianmin retired as an executive Director with effect from September 15, 2025 while Ms. PENG Ling was appointed as an executive Director with effect from September 15, 2025.

BOARD MEETINGS

Pursuant to Code Provision C.5.1 of the Corporate Governance Code, the Company has adopted the practice of holding Board meetings at least four times a year at approximately quarterly intervals. Notice of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regulator meeting in accordance with Code Provisions C.5.2 and C.5.3 of the Corporate Governance Code.

All Directors are provided with agenda and relevant information in advance before a Board meeting. They have access to the senior management and the joint company secretaries of the Company at all times and, upon reasonable request, may seek independent professional advice at the Company's expense.

Minutes of Board meetings are kept by the secretary to the Board with copies circulated to all Directors for information and records. Minutes of Board meetings and committee meetings record sufficient detail of the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. The minutes of the Board meetings are open for inspection by Directors.

If a substantial Shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive Directors who, and whose close associates, have no material interest in such matter should be present at that Board meeting.

Attendance Record of Directors and Committee Members

The attendance record of each Director during their respective tenure of office at the Board and the relevant Board committee meeting(s) and the general meeting(s) of the Company held during the Reporting Period is set out in the table below:

	Attendance/number of meetings				
	Board	Audit Committee	Nomination Committee	Remuneration Committee	Annual general meeting
Mr. KONG Jian	7/7	N/A	3/3	2/2	1/1
Ms. JIANG Xianmin *(retired as an executed Director with effect from September 15, 2025)*	4/4	N/A	N/A	N/A	1/1
Ms. PENG Ling *(appointed with effect from September 15, 2025; ceased to be a Supervisor with effective from September 15, 2025)*	3/3	N/A	N/A	N/A	1/1
Ms. ZHANG Yanping	7/7	N/A	N/A	N/A	1/1
Mr. MA Biao	7/7	N/A	N/A	N/A	1/1
Mr. KONG Shuangquan	7/7	5/5	N/A	N/A	1/1
Ms. HOU Aijun *(appointed as lead independent non-executive Director with effect from June 27, 2025)*	7/7	5/5	3/3	N/A	1/1
Mr. LEUNG Wai Yip	7/7	5/5	N/A	2/2	1/1
Mr. LIANG Yeshi	7/7	N/A	3/3	2/2	1/1

During the Reporting Period, the chairman of the Board has also met the independent non-executive Directors once without the presence of other Directors.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

During the Reporting Period, the Company has adopted the Model Code as its own code of conduct regarding securities transactions by the Directors and the Supervisors. Specific enquiries have been made to all the Directors and Supervisors and each of them has confirmed that he/she has complied with the Model Code for the year under review.

As required by the Company, relevant officers and employees of the Company are also bound by the Model Code, which prohibits them to deal in securities of the Company at any time when he/she possesses insider information in relation to those securities. No incident of non-compliance of the Model Code by the relevant employees who are likely to be in possession of inside information of the Company was aware by the Company.

DIVIDEND POLICY

The Company currently expects to retain all future earnings for use in operation and expansion of the Group's business. No dividend shall be declared or payable except out of profits and reserves lawfully available for distribution.

As confirmed by the Company's PRC legal advisor, according to relevant PRC laws, any future net profit that the Company makes will have to be first applied to make up for the historically accumulated losses, after which the Company will be obliged to allocate 10% of the net profit to statutory common reserve fund (the Company is obliged to make such allocation until the statutory common reserve fund has reached more than 50% of the registered capital). The Company will therefore only be able to declare dividends after (i) all historically accumulated losses have been made up for; and (ii) sufficient net profit has been allocated to the statutory common reserve fund as described above, namely the Company allocates 10% of the net profit to the statutory common reserve fund, to the extent applicable.

The Company has adopted a policy on payment of dividends pursuant to Code Provision F.1.1 of the Corporate Governance Code, which sets out the factors to be considered, procedures and methods of the payment of dividends. According to the policy, the Board has the discretion to declare and distribute dividends to Shareholders, subject to the Articles of Association and all applicable laws and regulations, taking into consideration, among other things, the successful commercialization of the Company's products, earnings, capital requirements, overall financial conditions, contractual restrictions and Shareholders' interest. The policy sets out the factors in consideration, procedures and methods of the payment of dividends. The declaration of final dividend for a financial year shall be approved by the Shareholders at the annual general meeting of the Company and must not exceed the amount recommended by the Board.

CORPORATE GOVERNANCE FUNCTIONS

In accordance with Code Provision A.2.1 of the Corporate Governance Code, the Board is responsible for performing the corporate governance duties including:

- to develop and review the Group's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with Corporate Governance Code and disclosure in the Corporate Governance Report.

The Board has performed the above duties during the Reporting Period.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Group's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authorities and duties pursuant to paragraph C.4 of the Corporate Governance Code.

Audit Committee

The Company has established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraphs C.4 and D.3 of the Corporate Governance Code. The Audit Committee consists of Ms. HOU Aijun, Mr. KONG Shuangquan and Mr. LEUNG Wai Yip. Both Ms. HOU Aijun and Mr. LEUNG Wai Yip are independent non-executive Directors. The chairperson of the Audit Committee is Ms. HOU Aijun, and Mr. LEUNG Wai Yip is the independent non-executive Director with the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary function of the Audit Committee is to assist the Board in providing an independent view of the Group's financial reporting process, internal control and risk management system, overseeing the audit process and performing other duties and responsibilities as assigned by the Board which includes, (i) proposing to the Board the appointment and replacement of external audit firms; (ii) supervising the implementation of the Group's internal audit system; (iii) liaising between the Group's internal audit department and external auditor; (iv) reviewing the financial information and related disclosures of the Group; and (v) other duties conferred by the Board.

During the Reporting Period, five Audit Committee meetings were held. The attendance record of members of the Audit Committee is set out under "Corporate Governance Report – Board meetings – Attendance Record of Directors and Committee Members" of this annual report. The following is a summary of work performed by the Audit Committee during the Reporting Period:

- reviewed the annual results and annual report of the Group for the year ended December 31, 2024, and the interim results and interim report of the Group for the six months ended June 30, 2025, the Group's financial and accounting policies and practices and the scope of audit and appointment of external auditor;

- reviewed the risk management, internal control and compliance systems of the Group and the effectiveness of internal audit function and discussed with the management and internal audit on their findings; and

- discussed matters with respect to the accounting policies and practices adopted by the Group.

Remuneration Committee

The Company has established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration Committee comprises one executive Director, Mr. KONG Jian, and two independent non-executive Directors, namely Mr. LIANG Yeshi and Mr. LEUNG Wai Yip, with Mr. LIANG Yeshi being the chairperson.

The primary function of the Remuneration Committee is to develop remuneration policies of the Directors, evaluate the performance, make recommendations on the remuneration packages of the Directors and senior management which includes, among other things: (i) establishing, reviewing and making recommendations to the Board on the policy and structure concerning remuneration of the Directors and senior management; (ii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; (iii) making recommendations to the Board on the terms of the specific remuneration package of each Director and members of senior management; and (iv) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules; and (v) other duties conferred by the Board.

During the Reporting Period, two Remuneration Committee meetings were held. The attendance record of members of the Remuneration Committee is set out under "Corporate Governance Report – Board meetings – Attendance Record of Directors and Committee Members" of this annual report. The following is a summary of work performed by the Remuneration Committee during the Reporting Period:

- made recommendations to the Board on the remuneration package of the Directors and senior management of the Company;
- review and/or approve matters relating to the share award scheme;
- reviewed and made recommendations to the Board on the procedure for developing the remuneration policy; and
- reviewed the performance of duties of Directors and senior management of the Company.

Pursuant to Code Provision E.1.5 of the Corporate Governance Code, the annual remuneration (inclusive of salaries, bonuses, benefits and share-based payments) of members of the senior management (other than Directors and Supervisors) by band during the Reporting Period is set out below:

Remuneration bands	Number of members of senior management
Nil to RMB1,000,000	2
RMB1,000,001 to RMB2,000,000	–
RMB2,000,001 to RMB3,000,000	–

Nomination Committee

The Company has established a Nomination Committee with written terms of reference in compliance with Rule 3.27 of the Listing Rules and the Corporate Governance Code. Pursuant to the amendments to Corporate Governance Code with effect from July 1, 2025, the terms of reference of the Nomination Committee were adopted, amended and approved by the Board on June 27, 2025. The Nomination Committee comprises one executive Director, Mr. KONG Jian, who is also the chairperson, and two independent non-executive Directors, namely Mr. LIANG Yeshi and Ms. HOU Aijun. The Company has also complied with Code Provision B.3.5 of the Corporate Governance Code (with effect from July 1, 2025), which provides that the Nomination Committee should include at least one member of a different gender.

The primary function of the Nomination Committee is to make recommendations to the Board in relation to the appointment and removal of Directors which includes, among other things: (i) reviewing the structure, size and composition and diversity of the Board and making recommendations on any proposed changes to the Board; (ii) reviewing and assessing the time commitment and contribution to the Board of each Director, as well as his/her suitability and ability to discharge his/her responsibilities effectively, (iii) supporting the regular evaluation of the performance of the Board, (iv) identifying, selecting or making recommendations to the Board on the selection of individuals nominated for directorships; (v) assessing the independence of the independent non-executive Directors; (vi) making recommendations to the Board on relevant matters relating to the appointment, re-appointment and removal of the Directors; and (vii) other duties conferred by the Board.

During the Reporting Period, three Nomination Committee meetings were held. The attendance record of members of the Nomination Committee is set out under "Corporate Governance Report – Board meetings – Attendance Record of Directors and Committee Members" of this annual report. The following is a summary of work performed by the Nomination Committee during the Reporting Period:

- made director nomination recommendations to the Board in connection with the Board rotation;
- reviewed the structure, size and composition of the Board;
- recommended the appointment of Director;
- reviewed and assessed the Board Diversity Policy; and
- assessed the independence of the independent non-executive Directors.

BOARD PERFORMANCE EVALUATION

The Board believes that regular Board performance evaluation (the "**Board Performance Evaluation**") is an essential element to maintaining high standards of corporate governance and enhancing Board effectiveness. The objective of Board Performance Evaluation is for measuring the accountability, transparency and effectiveness of the Board, and ultimately aiming to identify areas for improvement and promote the ongoing enhancement of governance procedures. The scope of the evaluation will cover various aspects, including: (i) Board mix and composition; (ii) relationship between the Board and the management; and (iii) quality of information and decision making.

Pursuant to Code Provision B.1.4 of the Corporate Governance Code (with effect from July 1, 2025) that the Board Performance Evaluation shall be conducted at least once in every two years.

During the year ended December 31, 2025, the Company has not conducted the Board Performance Evaluation (except for the review of the Board's composition and skills). The Board Performance Evaluation will be conducted during the year ending December 31, 2026.

Board Skills Matrix

Pursuant to Code Provision B.1.5 of the Corporate Governance Code (with effect from July 1, 2025) that the Company should maintain and disclose a board skills matrix.

The Company will shall set up the board skills matrix during the year ending December 31, 2026.

SUPERVISORY BOARD

The Supervisory Board is a supervisory body of the Company which is responsible for the supervision of the Board and its members and senior management so as to prevent them from the misuse of authority and infringement upon lawful rights of the Shareholders, the Company and the Company's employees. The number of members and the composition of the Supervisory Board are in line with the provisions and requirements of the laws, regulations and the Articles of Association.

As of the date of this annual report, the Supervisory Board consists of three Supervisors, namely Mr. CHEN Liang (chairman of the Supervisory Board), Ms. KONG Xi and Ms. WANG Wei. The background and biographical details of the Supervisors are set out under "Directors, Supervisors and Senior Management" of this annual report.

FINANCIAL REPORTING SYSTEM, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Financial Reporting System

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended December 31, 2025, which give a true and fair view of the affairs of the Company and the Group and of the Group's financial performance and cash flows. The Directors also acknowledge their responsibilities to ensure that the consolidated financial statements of the Group are published in a timely manner.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

Risk Management and Internal Control

The Company is devoted to establishing and maintaining risk management and internal control systems consisting of policies, procedures and risk management methods that are considered to be appropriate for the Group's business operations, and the Company is dedicated to continuously reviewing and improving these systems in terms of their effectiveness.

The Company has adopted and implemented comprehensive internal control and risk management policies in various aspects of the Group's business operations. The senior management, and ultimately the Directors, supervise the implementation of the internal control and risk management policies. 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 the Group and reported to the Directors. In accordance with Code Provisions D.2.1 and D.2.4 of the Corporate Governance Code, the Board, supported by the Audit Committee, confirms its responsibility for the Company's risk management and internal control systems and will oversee and review their effectiveness on an annual basis. The Company considers that the Directors and the senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

The Company has established an internal audit function which undertakes independent reviews of the Group's internal control systems, risk management processes and compliance with applicable laws and regulations. The internal audit function reports directly to the Audit Committee to ensure its independence and objectivity.

The Group has adopted and will continue to adopt, among other things, the following internal control and risk management measures:

Financial reporting risk management

The Group has in place a set of accounting policies in connection with the Group's financial reporting risk management, such as financial reporting management policies and budget management policies. The Group has various procedures in place to implement accounting policies and the finance department reviews the management accounts based on such procedures.

Information system risk management and data protection

Sufficient maintenance, storage and protection of proprietary information and data (including clinical trial data) is critical to the success of the Group. The Group has implemented relevant internal procedures and controls to ensure the protection and security of such information and data. The Group provides relevant trainings to its employees and discuss any issues or necessary updates from time to time.

Anti-corruption policy

The Group strictly prohibits bribery or other improper payments in any of its business operations. Anti-corruption and anti-bribery compliance trainings are provided to the Directors, Supervisors and senior management and other key employees to enhance their knowledge and compliance of applicable laws and regulations. The employees of the Group, especially those involved in procurement and other business functions which are more susceptible to bribery and corruptions, are required to abide by the Group's compliance requirements, and make necessary representations and warranties to the Company. The Group has also established a system of supervision that allows complaints and reports to be submitted to management regarding non-compliant behavior of employees.

Whistleblowing policy

The Company expects and encourages employees of the Group and those who deal with the Group (e.g. suppliers, customers, creditors and debtors) to report to the Company, in confidence, any suspected impropriety, misconduct or malpractice concerning the Group. The Company adopts the whistleblowing policy to provide reporting channels and guidance on reporting possible improprieties and reassurance to whistleblowers of the protection that the Group will extend to them in the formal system. The whistleblowing policy will be reviewed by the Audit Committee from time to time, any suspected cases will be reported to the Audit Committee.

Internal control system

To monitor the on-going implementation of the internal control and risk management policies and corporate governance measures, the Company has adopted, among other things, the internal control measures:

- various measures and procedures regarding each aspect of the Group's business operations, such as related party transaction, environmental protection and occupational health and safety, have been adopted. The internal audit department of the Group conducts audit field work to monitory the implementation of the Group's internal control policies, reports any weakness identified to the management and the Audit Committee, and follows up on the rectification actions;

- various training programs are provided to keep the employees of the Group updated on relevant laws, regulations and policies. New employees of the Group are required to attend compliance training programs soon after on-boarding and must pass tests which examine their understanding of the compliance issues addressed by the training programs. Employees of the Group are also required to regularly attend on-site and online training sessions to keep them informed of recent updates in the relevant laws and regulations;

- the Directors, with help from the legal advisors of the Group, will periodically review the Group's compliance status with all relevant laws and regulations;

- the establishment of the Audit Committee which is responsible for overseeing the financial records, financial reporting and internal control procedures of the Group;

- the engagement of Fosun International Capital Limited (terminated on April 16, 2025) as the compliance advisor to advise the Company on compliance with the Listing Rules; and

- the engagement of external legal advisors to advise the Group on its compliance with the Listing Rules and other applicable laws and regulations.

The Board, as supported by the Audit Committee as well as the management, reviewed the risk management and internal control systems during the Reporting Period and up to the date of this annual report, and considered that such systems are effective and adequate with sufficient resources and appropriate staff being deployed to implement the same, and no significant control failings or weakness are identified.

HANDLING OF INSIDE INFORMATION

The Company has adopted policies in respect of the confidentiality management of the Group's information and the disclosure of inside information, sensitive information or confidential information in accordance with the SFO and the Listing Rules to ensure confidentiality when handling inside information and the publication of relevant disclosures to the public as soon as practicable.

Under this policy, the Company disseminates information to specified persons on a need-to-know basis, and requires all employees of the Group who have access to the inside information to maintain strict confidentiality of the inside information until it is announced. The policy also sets out the procedures for identifying, handling and monitoring inside information or sensitive or confidential information, the scope of inside information and the procedures and precautionary measures for reporting or leakage of inside information of the Group.

AUDITOR'S REMUNERATION

The Company appointed Messrs. Deloitte Touche Tohmatsu as the external auditor for the year ended December 31, 2025. A statement by Messrs. Deloitte Touche Tohmatsu about their reporting responsibilities for the consolidated financial statements is included in the Independent Auditor's Report on pages 125 to 128 of this annual report.

The remunerations payable to Messrs. Deloitte Touche Tohmatsu in respect of their audit services and non-audit services for the year ended December 31, 2025 are as follows:

Service	**Fees paid/payable** (RMB'000)
Audit services	1,348
Non-audit services	550
Total	1,898

The non-audit services represent services rendered in connection with (i) reviewing the interim financial results of the Group for the six months ended June 30, 2025, and (ii) advising on the environmental, social and governance related matters of the Group for the year ended December 31, 2025.

The Company has adopted a policy governing the provision of non-audit services by the external auditor. For non-audit services with an individual service fee of below RMB500,000, approval can be granted by the general manager of the Group. For non-audit services with an individual service fee equal to or exceeding RMB500,000, prior approval from the Audit Committee or the Board is required. The policy is designed to safeguard the independence and objectivity of the external auditor, and the Audit Committee regularly reviews the nature and scope of non-audit services to ensure compliance with regulatory requirements and audit quality.

The Audit Committee was satisfied that the non-audit services provided by Messrs. Deloitte Touche Tohmatsu during the year ended December 31, 2025 did not affect their independence as external auditor.

JOINT COMPANY SECRETARIES

During the Reporting Period, the Company appointed Mr. LIU Siyu and Ms. YUEN Wing Yan, Winnie as the joint company secretaries of the Company. Ms. YUEN Wing Yan, Winnie was a director of company secretarial services department of Tricor Services Limited and her primary contact at the Company was Mr. LIU Siyu.

In compliance with Rule 3.29 of the Listing Rules, the joint company secretaries undertook professional training for not less than 15 hours for the Reporting Period.

Ms. YUEN Wing Yan, Winnie resigned as one of the joint company secretaries of the Company with effect from March 18, 2026; and Ms. LAI Ho Yan was appointed as one of the joint company secretaries of the Company with effect from March 18, 2026. Ms. LAI Ho Yan will continue to work closely with and provide assistance to Mr. LIU Siyu.

The biographies of Mr. LIU Siyu, Ms. YUEN Wing Yan, Winnie and Ms. LAI Ho Yan are set out under "Directors, Supervisors and Senior Management" in this annual report.

All Directors have access to the advice and service of the joint company secretaries on corporate governance and board practices related matters.

WORKFORCE DIVERSITY

The Group has adopted a diversity policy for all employees, including the Company's senior management members, promoting diversity and equality in aspects such as gender, age, cultural and educational background, professional experience, and skills. The policy aims to foster an inclusive corporate culture and ensure that all employees have fair opportunities in recruitment and career development.

The Group has set measurable gender diversity objectives to maintain a balanced gender ratio across all employee levels and to sustain at least the current level of female representation on an ongoing basis.

As of December 31, 2025, the gender ratios of the Group (female: male) were 6:7 (for senior management) and 80:112 (for workforce excluding senior management).

The Group considers that its workforce has a balanced gender diversity profile and will continue to promote workforce diversity in the ordinary course of business.

SHAREHOLDERS' RIGHTS

Rights to Convene Extraordinary General Meeting

To safeguard Shareholders' interests and rights, the Shareholders are encouraged to participate at the general meetings of the Company and to vote thereat. An annual general meeting of the Company shall be held each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

The annual general meeting of the Company will provide a forum for the Board and the Shareholders to communicate. The Board will answer questions raised by Shareholders at the annual general meeting.

Pursuant to Article 51 of the Articles of Association, Shareholders individually or jointly holding no less than 10% of the Company's shares ("**Qualifying Shareholders**") shall have the right to request the Board to convene an extraordinary general meeting. If the Board does not agree to convene an extraordinary general meeting or failed to provide feedback within ten days after receiving the request, the Qualifying Shareholders shall have the right to propose to the board of Supervisors that an extraordinary general meeting be convened and shall submit their request in writing to the board of Supervisors. If the board of Supervisors fails to issue the notice of requested general meeting within the prescribed period, it shall be deemed that the board of Supervisors would not convene the requested general meeting, and the Qualifying Shareholders may convene the general meeting on their own initiative.

Right to Put Forward Proposals at a General Meeting

Pursuant to Article 56 of the Articles of Association, Shareholders who individually or collectively hold no less than 1% of the Company's shares shall be entitled to submit proposals to the Company for consideration at a general meeting. Such proposal shall be submitted in writing to the Board 10 days before the date of the general meeting. The Board shall issue a supplementary notice of the general meeting within two days of receipt of the proposal, announcing the content of the proposal.

Right to Propose a Person for Election as a Director

Pursuant to Article 84 of the Articles of Association, Shareholders who individually or jointly hold 1% of the Company's shares shall have the right to propose to the Board the nomination of a person as an independent non-executive Director, and Shareholders who individually or jointly hold no less than 3% of the Company's shares shall have the right to propose to the Board the nomination of a person as a Director (other than an independent non-executive Director).

A nomination may be made by submitting a proposal to the Board in writing 10 days prior to the convening of the general meeting. The Board shall, after consulting the nominee and examining his/her qualifications for office, notify other Shareholders within two days upon receiving the nomination proposal and submit this proposal to the general meeting for consideration. The nominee shall, prior to the convening of the general meeting, give written undertakings that he/she agrees to accept the nomination, and that his/her personal information disclosed to the public is true and complete, and undertake that he/she will duly perform the obligations as a Director if he/she is elected. A written notice concerning the intention to nominate a Director and the nominee' statement for acceptance of the nomination, together with the relevant written materials in relation to the nominee shall be sent to the Company at least seven days prior to the date of the general meeting.

Right to Put Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing to the Company's headquarters and principal place of business in the PRC at No. 3 Guangtong Street, Industrial Development Zone, Tongzhou District, Beijing, PRC. Shareholders may also make enquiries with the Board at the general meetings of the Company or contact the Company's investor relations team through email at IR@luzhubiotech.com.

EFFECTIVE COMMUNICATIONS WITH SHAREHOLDERS

The Company has in place a Shareholders' communication policy to ensure that Shareholders' views and concerns are appropriately addressed. The Shareholders' communication policy is reviewed by the Board on a regular basis. By reviewing the views of Shareholders that have been received as well as assessing how the opinions of Shareholders have been considered in reaching important strategic decisions during the Reporting Period, the Board is satisfied that the current Shareholders' communication policy is adequate and effective.

The Company continuously attaches great importance to maintaining and developing investor relations for a long time, enhances transparency of the corporate information by promptly and effectively releasing the corporate information to the public, which has established effective channels for the Company to communicate with Shareholders. The Company publishes its announcements, financial information, and other relevant information on its website (www.luzhubiotech.com) and the website of Stock Exchange (www.hkexnews.hk), as a channel to facilitate effective communication.

The Board welcomes Shareholders' views and encourages them to attend general meetings to convey any concerns they might have to the Board or the management. At the general meetings, all Shareholders attending the meeting may make enquiries to the Directors and other management in respect of matters relevant to the resolutions. The Company has published detailed contact methods through its website, notices of the general meeting, circulars to the Shareholders and annual reports for Shareholders to express their views or make enquiries.

INVESTOR RELATIONS

The Company considers it crucial to provide investors with accurate information in a timely manner and maintains communication with investors through effective communication channels, with an aim to enhance mutual understanding between investors and the Company and to improve the transparency of the Company's information disclosure.

In accordance with the Listing Rules, the Company shall duly disseminate its corporate information via various channels, including regular reports, announcements and company website.

THE ARTICLES OF ASSOCIATION

There was no changes to the Articles of Association during the Reporting Period.

A copy of the prevailing Articles of Association is available on the respective websites of the Stock Exchange and the Company.

CONTENT

ABOUT THE REPORT

This is the third Environmental, Social and Governance (ESG) report released by Beijing Luzhu Biotechnology Co., Ltd. that discloses the Company's ESG management, practices and performance and responds to stakeholder expectations and needs.

Coverage

This report is released annually and covers the period of January 1 to December 31, 2025. Note that some information may extend beyond this period.

Scope

The scope of this report aligns with the financial statements, covering Beijing Luzhu Biotechnology Co., Ltd. and its subsidiaries.

Preparation Basis

This report is prepared with reference to Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This report has complied with all mandatory disclosure requirements of Part B under Environmental, Social and Governance Reporting Code and the "comply or explain" provisions of Part C. The Company has compiled this report in accordance with the four reporting principles of the Environmental, Social and Governance Reporting Code, including:

1) **Materiality:** The Company has identified and confirmed the materiality issues for 2025 through a materiality assessment, including inviting various stakeholders to assess and prioritize the ESG issues. Details of the materiality assessment process and results can be found in the "Material ESG Issues" in this report.

2) **Quantitative:** The Company comprehensively discloses ESG performance for 2025, and discloses information on the standards, methodologies, assumptions and/or calculation tools used, and the source of the conversion factors used, for the reporting of emissions/energy consumption.

3) **Balance:** This Report discloses ESG performance of the Company during the reporting period in an unbiased manner and objectively reflects the operations of the Company.

4) **Consistency:** This report is the third Environmental, Social, and Governance (ESG) report issued by Beijing Luzhu Biotechnology Co., Ltd. The disclosure methodology and key performance indicators are consistent with those in previous annual reports. The ESG performance for 2023 and 2024 is detailed in "Appendix I Key Performance Indicators Table" of this report for readers to make meaningful comparisons of the Company's ESG information.

Information Source

All the information in this report comes from the Company's official internal documents, internal statistics, and relevant public information. Unless otherwise specified, the monetary amounts involved in this report are denominated in RMB.

Appellation Note

In this report, "Beijing Luzhu Biotechnology Co., Ltd." is also stated as "Luzhu Biotech", "the Company", and "we" for the sake of easier expression.

Contact Us

If you have any questions or comments regarding this report, please feel free to contact us at: IR@luzhubiotech.com.

BOARD OF DIRECTORS DECLARATION

Luzhu Biotech consistently comprehensively integrates ESG factors into its business operations and strategic decision-making processes to drive long-term stability and sustainable development.

The Board of Directors, serving as the highest decision-making and supervisory body for the Company's ESG matters, considers and approves the Company's ESG management policies and strategies, assesses the progress of ESG goals, and reviews the analysis results of annual material ESG issues and ESG report through meetings, ensuring the effective implementation and continuous improvement of ESG-related policies.

ESG's management functions are included in the scope of Environment, Health and Safety (EHS) Department's duties by the Company. The EHS Department continues to carry out the identification, assessment, and management of ESG risks, determines the priorities of ESG issues, and reports to the Board of Directors to ensure that the Board receives sufficient information support during the decision-making process.

This report provides a detailed disclosure of Luzhu Biotech's ESG performance and progress in 2025, which has been reviewed and approved by the Board.

ABOUT US

Company Profile

Beijing Luzhu Biotechnology Co., Ltd. (formerly known as "Beijing Luzhu Biotech") was incorporated in November 2001. Guided by the vision of a "People-Oriented Approach and Pursuit of Perfection", the Company focuses its research efforts on human vaccines and therapeutic bispecific antibodies and is committed to providing affordable and high-quality vaccines and therapeutic biologics. Since its inception, the Company has leveraged its insights into immunology and protein engineering and established innovative technology platforms, achieving remarkable breakthroughs in human medicine.

Company Milestones

2001	• Beijing Luzhu Biotech was incorporated.
2003	• Submitted a clinical trial application for "Group A/C Meningococcal Polysaccharide Conjugate Vaccine" to Beijing Municipal Medical Products Administration and received clinical trial approval (Approval No.: 2003L04054) for this vaccine from China National Medical Products Administration (NMPA) in the same year.
2005	• Obtained clinical trial approval for "Group A/C/Y/W135 Meningococcal Polysaccharide Vaccine" (Approval No.: 2005L00866).
2007	• Obtained an Innovative Drug Certificate for "Group A/C/Y/W135 Meningococcal Polysaccharide Vaccine" (License No.: S20070017).
2009	• Initiated the study of recombinant human monoclonal antibody and bispecific antibody.
2013	• Company restructured and name changed to Beijing Luzhu Biotechnology Co., Ltd.
2017	• Obtained clinical trial approval for "Humanized Anti-VEGF Monoclonal Antibody Injection" from NMPA. • Obtained clinical trial approval for "Human Anti-Tumor Necrosis Factor-α Monoclonal Antibody Injection" from NMPA.
2019	• Initiated Phase I clinical trial of K193 in China. • Completed Phase I clinical trial for "Human Anti-Tumor Necrosis Factor-α Monoclonal Antibody Injection". • Completed Series A funding.
2020	• Submitted a PCT patent for LZ901 (Ref. No.: PCT/CN2020/090200).
2021	• Received clinical trial approval for "Recombinant Herpes Zoster Vaccine (CHO cells)" from NMPA. • Completed Series B funding. • Established a wholly-owned subsidiary Hong Kong Luzhu Biotech.

2022	• Submitted an IND application for LZ901 to the FDA and received authorization. • Completed Series B+ funding. • Recognized by Beijing Municipal Bureau of Economy and Information Technology as a specialized and sophisticated small and medium-sized enterprise. • Established a wholly-owned subsidiary Beijing Luzhu Biotech. • Completed Phase I clinical trial for LZ901 and initiated its Phase II clinical trial in China. • Completed Series C funding.
2023	• Listed on the main board of HKEX. • Completed Phase II clinical trial for LZ901 and initiated its Phase III clinical trial in China. • Initiated Phase I clinical trial for LZ901 in the US. • Obtained the pharmaceutical manufacturing certificate.
2024	• Completed enrollment of subjects for Phase III clinical trial of LZ901 in China and interim unblinding work.
2025	• The listing application for LZ901 has been accepted by the China National Medical Products Administration. • Completed the Phase I clinical trial for LZ901 in the United States.

Product Portfolio

Products in R&D:

- LZ901 Recombinant Herpes Zoster Vaccine (CHO cells): Our proprietary vaccine for the prevention of herpes zoster caused by the varicella-zoster virus ("VZV") has now entered into the stage of filing for marketing approval in China and has completed Phase I clinical trials in the United States.

- Recombinant Human Anti-tumor Necrosis Factor-α Monoclonal Antibody Injection (K3): Our proprietary recombinant human anti-tumor necrosis factor ("TNF")-α monoclonal antibody injection, a biosimilar to Humira® (adalimumab), is primarily indicated for the treatment of various autoimmune diseases such as rheumatoid arthritis, ankylosing spondylitis, and plaque psoriasis. The product has completed Phase I clinical trials.

- K193 Antibody Injection (CD19-CD3): Our proprietary innovative drug for the treatment of B-cell lymphoma and leukemia, entered into Phase I clinical research with the first patient administered with the drug on December 9, 2019.

- Recombinant Respiratory Syncytial Virus (RSV) vaccine: Our proprietary product, which has a primary indication of RSV-induced lower respiratory tract disease, is currently in the pre-IND stage.
- Recombinant Varicella vaccine: Our proprietary recombinant varicella vaccine, which is intended for preventing varicella in children, is currently undergoing preclinical studies.
- Recombinant HSV-1 vaccine: Our proprietary product, which has a primary indication of HSV-1-induced oral herpes, is currently undergoing preclinical studies.
- Recombinant HSV-2 vaccine: Our proprietary product, which has a primary indication of HSV-2-induced genital herpes, is currently undergoing preclinical studies.
- K333 Antibody Injection (CD33-CD3): Our proprietary bispecific antibody injection for the treatment of myeloid leukemia, is currently undergoing preclinical studies.
- K1932 Antibody Injection (CD19-CD3): Our proprietary bispecific antibody injection for the treatment of B-cell lymphoma, is currently undergoing preclinical studies.

Immunoreagents:

- Group A Meningococcal Polysaccharide IgG Antibody Detection Kit
- Group C Meningococcal Polysaccharide IgG Antibody Detection Kit
- Group Y Meningococcal Polysaccharide IgG Antibody Detection Kit
- Group W135 Meningococcal Polysaccharide IgG Antibody Detection Kit
- Haemophilus Influenzae Type B Polysaccharide IgG Antibody Detection Kit
- Varicella-Zoster Virus (VZV) Antibody ELISA Testing Kit
- Varicella-Zoster Virus (VZV) Antigen Slide

Accolades and Recognition

- 2025 China Biotech Company
- 2025 GHP Human Vaccine R&D Innovation Award
- Luzhu Biotech holds 13 authorized patents worldwide. Among them, the core product LZ901 has obtained patent authorization in seven countries: China, Canada, South Korea, the United States, Japan, Russia, and Australia.
- Patent Pilot Certificate

- Second Prize of Beijing Science and Technology Award
- 2024 Precision Medicine Top 10 Innovative Enterprises
- Beijing "Specialized and Sophisticated" SME
- Zhongguancun High-Tech Enterprise
- Beijing Municipal Enterprise Research and Development Institute
- High-Tech Enterprise Certificate

CORPORATE GOVERNANCE

Responsible governance underpins the Company's sustainability. Luzhu Biotech remains highly attentive to the expectations and demands of its stakeholders, continuously refining its risk management framework and fostering an organizational culture of integrity and ethical conduct. These efforts lay a solid foundation for achieving long-term economic and social value.

1.1 ESG Governance

Luzhu Biotech continues to advance the deep integration of sustainable development principles into daily operations and decision-making. The Board of the Company serves as the highest decision-making and supervisory body for the Company's ESG matters. The Company's EHS Department is responsible for identifying, assessing, and managing ESG-related risks. It formulates and monitors the implementation of ESG policies, objectives, and strategies, and reports regularly to the Board. Going forward, the Company will continue to optimize its ESG governance framework, strengthen communication with stakeholders, and improve relevant management policies to support its long-term development.

1.1.1 Stakeholder Communication

Luzhu Biotech places high importance on the expectations and demands of stakeholders. We actively solicit opinions and suggestions from management and employees through multiple channels, while maintaining proactive communication with key stakeholders such as government departments/regulatory authorities, shareholders/investors/creditors, customers/patients, employees, community and the general public, and suppliers/business partners to respond positively to the concerns of all parties.

Stakeholders	Expectations and Needs	Communication Responses
Government Departments/ Regulatory Authorities	• Compliance and risk management • Product safety and quality • Environmental Stewardship	• Disclosure of compliance information • Tax payment in accordance with the law • Better environmental stewardship

Stakeholders	Expectations and Needs	Communication Responses
Shareholders /Investors/Creditors	• R&D and Innovation • Corporate governance • Compliance and risk management	• Enhancement of Patent Layout • Convening general meetings of shareholders and performance briefings on a regular basis, and actively conducting investor roadshows • Improvement of the compliance management system and internal control mechanisms
Customers/Patients	• Product safety and quality • Information Security and Privacy Protection • Access to healthcare	• Better quality management • Improvement of privacy protection system • Establishment of official complaint channels
Employees	• Employee benefits and wellbeing • Occupational Health and Safety • Employee Training and Development	• Employees' congress • Provision of employee training • Hosting team building activities
Community and the general public	• Environmental Stewardship • Pollutant discharge management • Community development and public welfare	• Participating in public benefit activities • Better environmental stewardship • Improvement of communication channels such as the official website and social media platforms
Suppliers/Business Partners	• R&D and Innovation • Supply chain • Business ethics and anti-corruption	• Regular communication • Standardized management of contracts and agreements • Pursuit of sustainable development in collaboration

1.1.2 Material ESG Issues

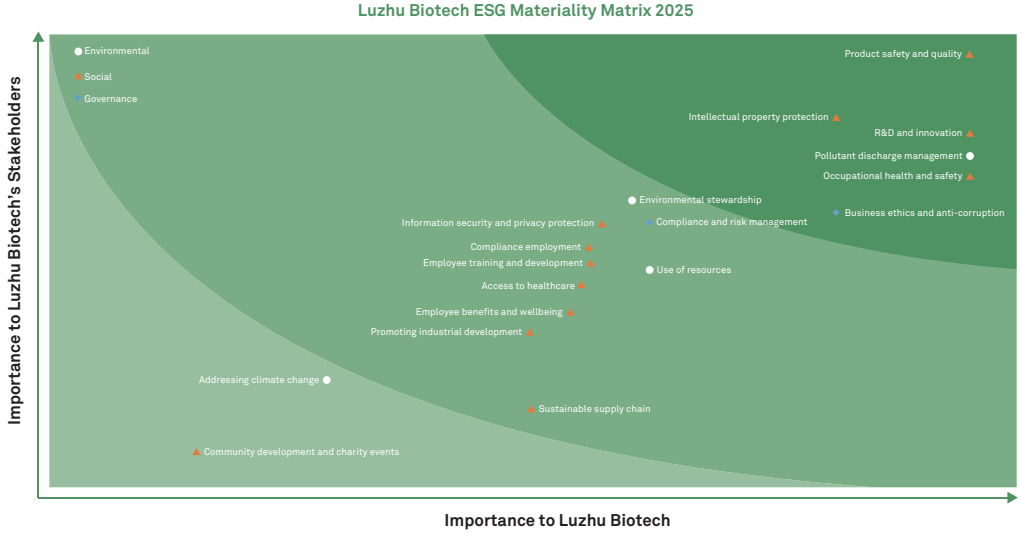
To precisely identify the key ESG focus areas of Luzhu Biotech and enhance the relevance and responsiveness of the report, we have systematically assessed materiality issues. The specific process is as follows:

- **Issue Identification:** In light of national policy directions, industry development trends, and our current stage of being in clinical trials or preclinical research without large-scale production and sales, 18 material ESG issues have been preliminarily identified through industry benchmarking and internal analysis.

- **Issue Survey:** Based on questionnaire surveys conducted among internal and external stakeholders in previous years, we systematically collected and consolidated assessments of issue importance from all parties to provide a foundation for subsequent analysis.

- **Issue Ranking:** Based on the two dimensions of "Importance to Luzhu Biotech" and "Importance to Luzhu Biotech's Stakeholders", a comprehensive assessment and positioning of each issue was conducted. This process established the Luzhu Biotech ESG Materiality Matrix 2025, which visually presents the priority levels of issues.

- **Issue Review:** On the basis of the initial ranking, after evaluation by external experts and deliberation by the Company's leadership, six highly important issues were finally determined and will be disclosed and responded to specifically in this report.



High level of importance	Product safety and quality R&D and innovation Intellectual property protection Pollutant discharge management Occupational health and safety Business ethics and anti-corruption
Medium level of importance	Compliance and risk management Use of resources Environmental stewardship Information security and privacy protection Compliance employment Employee training and development Access to healthcare Employee benefits and wellbeing Promoting industrial development Sustainable supply chain
General level of importance	Addressing climate change Community development and charity events

1.2 Risk Management and Control

To ensure sustainable, healthy and stable development, Luzhu Biotech places high importance on risk management and control. It strictly complies with national laws and regulations, has formulated the Comprehensive Risk Management System《全面風險管理制度》and the Internal Audit Management System《內部審計管理制度》, and establishes a sound comprehensive risk management framework. Additionally, Luzhu Biotech incorporates ESG factors, including environmental protection, product quality, information security, business ethics, intellectual property and occupational health and safety, into operational risk management and continuously improves its internal control system.

The Company continuously enhances its risk management governance framework. The Board of Directors is accountable to the shareholders' meeting for the effectiveness of comprehensive risk management, while the general manager of the Company is accountable to the Board of Directors for the same. The Board of Directors has formed an Audit Committee responsible for overseeing the internal audit department. The internal audit department supervises and assesses the Company's risk management activities at least once a year to ensure that relevant tasks are implemented effectively.

In addition, the Company places high importance on fostering a risk management culture. Through legal education and awareness transformation, it promotes the shift of risk control from institutional constraints to employees' voluntary actions, laying the foundation for establishing a standardized and efficient risk management mechanism.

1.3 Business Ethics and Anti-Corruption

Luzhu Biotech adheres to business ethics and maintains a zero-tolerance approach to corruption, bribery, and money laundering. During the reporting period, there were no corruption lawsuits filed against the Company.

The Company strictly complies with relevant national laws and regulations, including the Criminal Law of the People's Republic of China《中華人民共和國刑法》, the Anti-Unfair Competition Law of the People's Republic of China《中華人民共和國反不正當競爭法》, and the Anti-Money Laundering Law of the People's Republic of China《中華人民共和國反洗錢法》. It continuously strengthens business ethics management and rigorously prevents all forms of non-compliant conduct. In terms of organizational structure, the Board performs supervisory duties, while the Board Secretariat coordinates anti-corruption matters and collaborates with various departments to implement specific management tasks. At the institutional development level, we have established the Anti-Corruption Policy《反貪污政策》, the Anti-Corruption and Bribery Management System《反腐敗反賄賂管理制度》, the Anti-Fraud Management System《反欺詐管理制度》, the Anti-Malpractice Management System《反舞弊管理制度》, and the Anti-Money Laundering Management System《反洗錢管理制度》, reinforcing a robust internal control system to ensure employees adhere to the highest standards of integrity.

To ensure unimpeded oversight channels, the Company has established the Whistleblowing Policy《舉報政策》and the Whistleblowing, Investigation and Handling System《舉報、調查和處理制度》, clearly stipulating the protection of whistleblowers from retaliation. Whistleblowers can report using their real name or anonymously via hotline, email, or opinion box. The Company strictly maintains the confidentiality of whistleblower information and investigation materials, and will take serious action against any violation of the protection system.

In 2025, the Company invited compliance and internal control experts as well as legal specialists to conduct two anti-corruption training sessions for directors, supervisors, senior management, and key sales team members, further strengthening compliance awareness and fostering an ethical and integrity-driven corporate culture.

Quantitative indicators:

Anti-corruption	Number of concluded legal cases regarding corrupt practices		0	Case(s)
	Business ethics and anti-corruption training	Number of trained director participations	9	Participation(s)
		Director training hours	9	Hour(s)
		Number of trained employee participations	113	Participation(s)
		Employee training hours	113	Hour(s)

2. GREEN DEVELOPMENT

Luzhu Biotech adheres to the environmental philosophy of green development, integrating low-carbon operations throughout its entire production and operational processes. The Company continues to refine its environmental management system, promotes the efficient and intensive use of resources, strictly controls the compliance management of various emissions, proactively addresses climate change and mitigates climate-related risks, adheres to the baseline of environmental compliance, and steadily advances its green transformation.

2.1 Environmental Stewardship

Luzhu Biotech consistently adheres to the working policy of "Prevention First, Integration of Prevention and Control" and the "Three Simultaneities" requirement. The Company complies with relevant laws and regulations, including the Environmental Protection Law of the People's Republic of China《中華人民共和國環境保護法》, the Regulations on the Administration of Environmental Protection of Construction Projects《建設項目環境保護管理條例》, and the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Devices of Construction Projects《建設項目安全設施"三同時"監督管理辦法》. It has established internal rules such as the Environmental Protection Management Regulations and the Management Regulations for Three Simultaneities of Construction Projects. This ensures the simultaneous planning, implementation, and development of production activities and environmental protection. The Company's operations have not caused significant impact on the surrounding environment or natural resources, thereby solidifying its environmental compliance safeguards. In 2025, there were no environmental incidents or environmental administrative penalties in Luzhu Biotech.

The Company has established a sound environmental management organizational structure, clearly defining the responsibilities of each department. It explicitly designates the safety officer as the environmental management officer, responsible for coordinating the formulation of environmental management objectives and implementation plans. The head of each department serves as the primary person responsible for environmental management within their respective department, overseeing the day-to-day environmental management operations. Key responsibilities include the routine operation of environmental protection facilities, the collection and management of hazardous waste, and the handling of abnormal situations. The Company's EHS department is responsible for the regular monitoring of exhaust gas emissions and the outsourcing of hazardous waste disposal, ensuring the compliant treatment of exhaust gases and waste.

To continuously advance the construction of green production, the Company emphasized the principles of green production at monthly production scheduling meetings and various workshop production meetings, promoting the effective implementation of environmental protection measures. In 2025, the Company organized specialized training sessions on fire safety, environmental protection, and occupational health. A total of 28 employees participated and underwent assessment, comprehensively enhancing their awareness of environmental and workplace safety.

Luzhu Biotech Conducted Fire Safety, Environmental Protection, and Occupational Health Training

Quantitative indicators:

Number of environmental incident or administrative penalty	0	Case(s)

2.2 Use of Resources

Luzhu Biotech strictly complies with laws and regulations such as the Law of the People's Republic of China on Energy Conservation《中華人民共和國節約能源法》and the Water Law of the People's Republic of China《中華人民共和國水法》, adheres to resource conservation and efficient utilization, and systematically promotes green construction and sustainable operations. Luzhu Biotech has not engaged in large-scale production activities, the Company is currently unable to set detailed energy and water use efficiency goals. Once our product candidates enter large-scale commercial production, the Company will promptly set goals and action routes and supplement relevant data.

2.2.1 Energy and Resource Management

Luzhu Biotech places high importance on energy efficiency. It prioritizes energy-saving and emission-reduction systems and devices in production and uses automated power and water systems to effectively reduce energy waste. We continue to strengthen the promotion of energy conservation awareness among employees, encouraging them to implement energy-saving measures in office and production operations. Employees are required to turn off power sources when leaving their workstations to prevent standby energy consumption, control the frequency and duration of air conditioning usage, and adjust temperatures to a reasonable range, thereby reducing energy consumption while maintaining indoor comfort. In terms of resource management, the Company enhances the secondary utilization rate of materials through measures such as rational recycling and compliant disinfection, while ensuring product quality, thereby achieving circular utilization at the production end.

2.2.2 Water Resource Management

Luzhu Biotech uses water mainly from municipal water supply, and has not encountered any water shortage so far. In line with the characteristics of the production processes, the Company has implemented targeted water-saving measures to comprehensively enhance the efficient utilization of water resources.

- During the production process, the Company significantly improves the efficiency of pure water purification through adopting highly efficient water purification devices;
- The Company uses the remainder of pure water used in cellular fermentation for washing sanitary appliances and clothing, and sends water that fails to meet pharmaceutical standards to the water purification device manufacturer for recycling and reuse;
- The Company is equipped with bottle washing machines with a recycled water system, which has effectively reduced the consumption of water for injection.

2.2.3 Green Office

In its daily operations, the Company has fully promoted a paperless office, implemented online review and approval processes, procured low-grammage A4 paper, and advocated for the reuse of printing paper to reduce unnecessary paper waste. At the same time, the Company implemented the concept of green travel through actions such as replacing its official vehicles with new hybrid-powered models, and optimizing car running hours and routes to effectively reduce energy consumption while meeting employees' daily commuting needs.

Quantitative indicators:

Use of resources	Comprehensive energy consumption	771.77	Ton(s) of standard coal
	Comprehensive energy consumption intensity	3.76	Ton(s) of standard coal/ person
	Water consumption	33,795	Ton(s)
	Water consumption intensity	164.85	Ton(s)/person
	Electricity consumption	355.33	10,000 kWh
	Purchased steam	3,741	Ton(s)
	Office paper consumption	2.69	Ton(s)
	Packaging material consumption	4.04	Ton(s)
	Packaging material consumption intensity	0.0197	Ton(s)/person

2.3 Pollutant Discharge Management

Luzhu Biotech strictly complies with laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Air Pollution《中華人民共和國大氣污染防治法》, the Law of the People's Republic of China on the Prevention and Control of Water Pollution《中華人民共和國水污染防治法》, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste《中華人民共和國固體廢物污染環境防治法》. It has formulated internal rules and regulations, including the Waste Gas, Wastewater and Waste Disposal Management Regulations《廢氣、廢水、廢物處理管理規程》, and the Dangerous Wastes Management Regulations《危險廢物管理規程》, and the Regulations on the Management of Precursor Chemicals and Explosive Precursors《易制毒易制爆化學品管理規程》, which specify the management requirements for the entire process of classification, collection, storage, and disposal of waste gas, wastewater, and solid waste to ensure that all types of emissions are treated in compliance with laws and regulations.

2.3.1 Waste Gas Management

Luzhu Biotech strictly implements exhaust gas management measures. For fermentation exhaust from production workshops and chemical operation exhaust from laboratories, all emissions are uniformly treated through activated carbon adsorption before being released at elevated heights. This ensures the effective removal of harmful substances and strictly controls exhaust pollution. Meanwhile, the Company regularly monitors the emission concentration of waste gas in accordance with the requirements of pollution discharge permit to ensure compliance with environmental protection standards, to fulfill its responsibility in environmental protection. In 2025, the Company conducted a total of two emission monitoring tests, and the results of both tests complied with the production waste gas emission requirements stipulated in the emission permit.

2.3.2 Wastewater Management

Luzhu Biotech strictly adheres to national requirements for water pollution prevention and control, implements wastewater classification and treatment measures, and ensures that all types of wastewater are effectively treated and discharged in compliance with regulations. For the wastewater containing protein cells generated in the production process, the Company collects it into the sewage pretreatment tank and discharges it into the park's sewage system after acid-base neutralization and high temperature inactivation. For wastewater from laboratory water quality testing, the Company dilutes it and discharges it into the sewage pipeline of the industrial park. All wastewater is treated at the park's centralized wastewater treatment station and discharged in compliance with relevant standards.

2.3.3 Waste Management

Luzhu Biotech places high importance on waste management, continuously optimizing management measures in waste classification, handling, storage, and reduction to achieve standardized management of various types of waste. The Company implements classified control over waste materials in light of its production and R&D operations. Among them, hazardous waste primarily includes packaging, containers and reagents contaminated with cells during production, as well as laboratory reagents and culture media, etc.; non-hazardous waste primarily includes packaging materials such as cartons and plastics that have not been contaminated with cells.

- For hazardous waste such as dangerous chemicals, the Company implements closed-loop management covering the entire process from procurement and storage to disposal. In the procurement and storage process, we require user departments to submit purchase requests based on actual needs. Upon arrival, goods are inspected by designated personnel and stored in dedicated temporary hazardous chemical storage areas. The temporary storage area is equipped with 24-hour surveillance, anti-static instruments, combustible gas concentration alarms, explosion-proof temperature control, and lighting electrical equipment to ensure storage safety. In the waste disposal process, we use waste sterilization cabinets to carry out preliminary treatment such as high-temperature sterilization and inactivation for filter units and disposable bags containing organic substances, and then collect them in a centralized manner into the temporary waste storage room, and entrust qualified third-party companies to conduct professional treatment on a regular basis. At the same time, we engaged professional third-party institutions to assist in formulating hazardous waste management plans and provide specialized technical advisory services, thereby strengthening the compliance framework for waste disposal.

- For non-hazardous waste, the Company implements a daily collection and disposal management system, where waste is gathered daily and transported to the designated waste disposal area within the park for centralized treatment, ensuring compliant and orderly disposal.

To reduce waste generation at the source, Luzhu Biotech actively promotes resource recycling and waste reduction initiatives, solidly advancing green and low-carbon operations. The Company has implemented standardized recycling and reuse procedures for certain laboratory vessels and tools in laboratory settings, effectively reducing laboratory waste generation. Concurrently, the Company proactively optimizes the structure of consumable usage by replacing disposable plastic products with reusable glassware. For items such as cleanroom garments that can be reused within permitted process flows and sterilizable work shoes, the Company fully implements circular use management to minimize the consumption of disposable consumables and substantially reduce solid waste generation.

In addition, the Company has specifically formulated the Hazardous Waste Management Contingency Plan, established a hazardous waste management system, and set up a seven-member special task force leadership group to comprehensively coordinate, supervise and orchestrate all environmental protection work and to solidify the primary management responsibilities. The Company has established an emergency rescue team based on its emergency response plan, organized hazardous waste accident drills, and enhanced its capability to handle unexpected incidents.

As the Company has not yet entered the mass production stage, we are currently unable to set detailed waste reduction goals and procedures. In the future, following the commercialization of our product candidates, the Company will continue to employ quantitative metrics to assess and manage waste emissions.

Quantitative indicators:

Emissions	Exhaust gas	Oxysulfide emission	0	Ton(s)
		Oxynitride emission	0	Ton(s)
		Particulate matter emission	0	Ton(s)
	Wastewater	Wastewater discharge	10,410.6	Ton(s)
	Hazardous waste	Hazardous waste discharge	1.38	Ton(s)
		Hazardous waste discharge intensity	0.0067	Ton(s)/person
	Non-hazardous waste	Non-hazardous waste discharge	0	Ton(s)
		Non-hazardous waste discharge intensity	0	Ton(s)/person

2.4 Addressing Climate Change

The Company actively responds to the national "carbon peak and neutrality goals" strategy. By referencing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, it continuously identifies and assesses climate-related risks and opportunities associated with its business operations and R&D production. The Company is steadily advancing the formulation and implementation of targeted response strategies, and is fully committed to executing carbon reduction initiatives.

2.4.1 Governance

The Company has progressively integrated climate change governance into its daily business operations and decision-making processes, establishing a climate governance framework with clearly defined responsibilities and efficient execution. The Board of Directors, as the highest decision-making body for ESG matters, is responsible for reviewing climate strategies and targets, and overseeing their implementation. The EHS Department takes the lead in identifying climate change-related risks and opportunities, formulating response strategies, coordinating relevant departments to advance implementation, and reporting progress to the Board, ensuring that climate governance is closely integrated with the Company's business operations and advanced in a coordinated manner. Each operational department is responsible for the specific execution of climate change-related initiatives.

2.4.2 Strategies

The Company, in light of industry developments and actual business operations, comprehensively conducts the identification, assessment, and analysis of climate change-related risks and opportunities, and formulates scientifically feasible response measures accordingly. During the reporting period, we assessed the likelihood and impact of the identified climate change-related risks and opportunities across three time horizons: short-term (1-3 years), medium-term (3-10 years) and long-term (over 10 years), providing a basis for the optimization and implementation of subsequent response strategies.

Physical Risk	Risk Description	Coverage	Value Chain	Responsive Measures
Acute risk	Sudden extreme weather events, such as extreme precipitation, typhoons and floods, may cause flooding in our plant areas, laboratories and reagent storage areas, resulting in damage to or destruction of reagents, samples and products and an increase in flood control costs; such events may also damage experimental and production equipment and disrupt the progress of reagent production and scientific research experiments, leading to direct economic losses.	Short term	Own operations, downstream of the value chain	• Circulating and cleaning indoor air through hardware facilities such as sealed windows and central air conditioning to mitigate the adverse effects of extreme weather • In case of severe weather such as typhoons, the Company timely arranges for employees to work from home, and deploys relevant departments in advance to check the stability of factory doors and windows, the safety of facilities and equipment, and the storage of materials, to minimize the impact of climate events
Chronic risk	With global warming and climate change, the risks of heatwaves, droughts, and fires surge, increasing the operational load and maintenance costs of air conditioning facilities, reducing the service life of precision laboratory equipment and reagent storage equipment, and increasing equipment replacement costs	Medium to long term	Own operations, upstream of the value chain, downstream of the value chain	• Purchase energy-efficient equipment to reduce unnecessary energy consumption • Perform regular equipment maintenance to extend the service life of the equipment

Transition Risk	Risk Description	Coverage	Value Chain	Responsive Measures
Policy and legal risk	The Company faces increasingly stringent global climate change-related regulatory and disclosure requirements, which affects the difficulty and cost of carbon emission management	Medium to long term	Own operations, downstream of the value chain	Continuously monitor the development trends of environmental protection and low-carbon laws and regulations, formulate response measures in a timely manner, and improve information disclosure
Techno-logical risk	The rapid iteration of low-carbon clean production and emission reduction technologies makes it difficult for the low-carbon level of existing processes and equipment to adapt to the requirements of low-carbon technology transformation, constraining the progress of emission reduction	Medium to long term	Own operations	Improve energy utilization efficiency through measures such as retrofitting energy-saving equipment and optimizing production processes

Opportunity Type	Opportunity Description	Coverage	Value Chain	Responsive Measures
Energy efficiency	The use of clean energy can reduce operational risks arising from fluctuations in electricity costs, while improving energy use efficiency to achieve cost reduction and efficiency improvement	Medium to long term	Own operations	Install clean energy facilities such as solar photovoltaic panels to gradually increase the proportion of clean energy use and optimize the overall energy consumption structure

2.4.3 Risk Management

Luzhu Biotech is progressively integrating climate change-related risk management into its overall risk management framework. The Company conducts regular identification, assessment, and management of climate-related risks and opportunities to ensure effective risk control, capitalize on opportunities, and advance its low-carbon development.

2.4.4 Indicators and Targets

The Company continuously monitors global trends and national climate strategies, and actively enhances its ability to respond to climate change. Currently, as the Company has not yet entered the mass production stage, it has not set specific carbon emission reduction targets. The Company is not currently involved in internal carbon pricing. In the future, as products under development are commercialized, the Company will adopt quantitative indicators to assess and manage greenhouse gas emissions, striving to minimize the impact of climate change and contribute to achieving sustainable development goals.

Quantitative indicators:

Greenhouse gas	Total greenhouse gas emissions[1]	3,014.82	tCO_2e
	Greenhouse gas emission intensity	14.71	tCO_2e/person
	Scope 1 greenhouse gas emissions	0	tCO_2e
	Scope 1 greenhouse gas emission intensity	0	tCO_2e/person
	Scope 2 greenhouse gas emissions	2,965.63	tCO_2e
	Scope 2 greenhouse gas emission intensity	14.47	tCO_2e/person
	Scope 3 greenhouse gas emissions[2]	49.19	tCO_2e
	Scope 3 greenhouse gas emission intensity	0.24	tCO_2e/person

3. PRODUCT INNOVATION

Luzhu Biotech, adhering to the core philosophy of "People-Oriented Approach and Pursuit of Perfection", focuses on providing safe, effective, and accessible vaccines and therapeutic biologics, diligently fulfilling its mission to safeguard public health. The Company implements the quality policy of "Life and Quality First, Compliance and Excellence", comprehensively strengthens product quality control and information security management, strictly enforces intellectual property protection, prudently selects high-quality suppliers with sustainable development capabilities, and continuously contributes to the healthy development of the pharmaceutical industry.

1 Total greenhouse gas emissions cover Scope 1, Scope 2 and Scope 3 greenhouse gas emissions. As the Company does not consume gasoline or diesel, Scope 1 greenhouse gas emissions are 0; Scope 2 greenhouse gas emissions mainly come from the consumption of indirect energy (purchased electricity, purchased steam) in our operations. The calculation method for Scope 1 and 2 greenhouse gas emissions is based on the GHG Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) and the Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change (IPCC). The emission factors are sourced from the Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Power《關於發佈 2023 年電力二氧化碳排放因子的公告》issued by the Ministry of Ecology and Environment.

2 Scope 3 greenhouse gas emissions include the business travel category. The calculation method for Scope 3 greenhouse gas emissions is based on the GHG Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol). The emission factors are sourced from the China Products Carbon Footprint Factors Database (CPCD).

3.1 R&D and Innovation

R&D and innovation are the core drivers of Luzhu Biotech's business development. The Company has always been committed to providing high-quality and reasonably priced vaccines and therapeutic biologics, has established a professional internal R&D team, and systematically promotes various R&D activities. Meanwhile, the Company has formulated and implemented incentive policies to encourage employees to actively innovate during the R&D process and enhance product competitiveness.

3.1.1 R&D Team

To continuously advance the development of products under research, the Company constantly strengthens the construction of its R&D team. Currently, the Company has expanded its R&D team to 135 people. To further stimulate the enthusiasm and creativity of R&D personnel, the Company has formulated the Performance Assessment and Reward Management System for R&D Personnel《研發人員績效考核獎勵管理制度》, providing one-off rewards to employees who achieve results in product R&D, effectively encouraging technological innovation and R&D breakthroughs. In 2025, the Company's total R&D investment reached RMB96,475,000.

3.1.2 Preliminary R&D

During the preliminary R&D phase, Luzhu Biotech consistently prioritized compliance, systematically establishing its R&D management framework in strict accordance with regulatory standards such as the Biosecurity Law of the People's Republic of China《中華人民共和國生物安全法》, the Drug Administration Law of the People's Republic of China《中華人民共和國藥品管理法》, the Good Manufacturing Practice of Medical Products《藥品生產質量管理規範》, and the series of guidelines from the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use (ICH). By formulating and implementing internal systems such as the Organization and Management System of R&D Projects《研發項目組織管理制度》, the R&D Department Management System《研發部管理制度》, the Instrument Operation Instructions and Standard Operating Procedures《儀器操作説明及標準操作規程》, and the Assay Standard Operating Procedures《試驗標準操作規程》, the Company implements comprehensive and refined management of R&D processes, experimental operations, and laboratory use, effectively ensuring the standardization, scientific rigor, and traceability of R&D work.

3.1.3 Clinical Trials

During the clinical trial process, Luzhu Biotech strictly complies with relevant regulations and guidelines, including the Vaccine Administration Law of the People's Republic of China《中華人民共和國疫苗管理法》, the Good Clinical Practice (GCP)《藥物臨床試驗質量管理規範》, and the Declaration of Helsinki《赫爾辛基宣言》, as well as the regulatory requirements of the National Medical Products Administration. The Company has established multiple internal systems, including the Clinical Trial Management System《臨床試驗管理制度》, the Clinical Trial Inspection/Audit Management System《臨床試驗稽查／監查管理制度》, and Reporting and Handling Procedures for SAE/SUSAR in Drug Clinical Trials《藥物臨床試驗發生SAE/SUSAR報告及處理流程》, to manage the entire process of drug registration, trial preparation, protocol execution, informed consent, subject insurance, and biological sample management, fully implementing compliance requirements, ensuring clinical trial quality, and effectively protecting the rights and privacy of subjects.

To effectively manage drug safety risks in clinical trials, the Company formulates a drug clinical trial risk management plan based on the drug's characteristics before the trial begins. This plan comprehensively considers the physicochemical properties of the drug, non-clinical research results, and references safety information from similar vaccines to identify potential risks and define possible adverse reactions and their corresponding response measures. Based on the occurrence of serious adverse reactions in subjects of the Phase I clinical trial of K193 antibody injection, the Company revised the investigator's brochure to ensure the safety of the subjects.

Prior to commencing a clinical trial, the Company entrusts a professional third-party organization to conduct on-site monitoring. The third-party organization assigns Clinical Research Associates (CRAs) based on project progress to implement focused monitoring at different stages.

In 2025, the Company conducted comprehensive monitoring for the Phase III clinical trial of the recombinant herpes zoster vaccine (CHO cells), commissioning a CRO company to complete 94 on-site monitoring visits and 8 medical monitoring sessions. The Company's medical monitors also conducted multiple on-site inspections at various research sites. The Company has successfully passed the pre-listing inspection of clinical trial sites and biological sample testing units by experts from the China National Medical Products Administration. The Company's medical monitors accompanied the entire process, responded to expert inquiries in a timely manner, and assisted investigators in formulating corrective action plans for identified issues, completing and submitting the rectification reports. The relevant corrective actions have been implemented and reported.

Clinical trial inspection workflow

Preliminary stage

Conduct systematic training for relevant personnel on regulatory requirements, project procedures, and Standard Operating Procedures (SOPs) for each position to ensure they have the capability for compliant operations

Conduct compliance checks on the instruments and equipment used in the trial to confirm that their calibration, maintenance, and usage records meet regulatory requirements

After initiation

Conduct regular checks on all types of written documents, materials, and source records

Data management personnel conduct data review through the Electronic Data Capture (EDC) system and electronic Case Report Forms (eCRF) to identify anomalies or logical issues and raise queries, which are then analyzed and resolved by the investigators

When a subject experiences an Adverse Event (AE) or a Serious Adverse Event (SAE), the medical monitor will intervene promptly to audit the recording, assessment, and handling process of the event, ensuring it complies with medical judgment and regulatory requirements

3.2 Product Quality and Safety

Luzhu Biotech adheres to the quality policy of "Life and Quality First, Compliance and Excellence", fully implements national drug administration laws and regulations as well as relevant international standards, and establishes a robust product safety management system. By implementing strict quality testing and control measures, the Company ensures that its manufactured pharmaceutical products meet high standards in terms of efficacy, safety, and quality stability.

Quantitative indicators:

Product Responsibility	Percentage of total products sold or shipped subject to recalls for safety and health reasons	0 %
	Number of product and service complaint(s)	0 Item(s)

3.2.1 Quality System

Luzhu Biotech strictly complies with relevant national laws and regulations on pharmaceutical quality management and implements a series of internal management systems, including the Product Quality Responsibility System《產品質量責任制》, Quality Incident Management System《質量事故管理制度》, and Quality Supervisor, Quality Manager, and Quality Officer Management System《質量監督員、質量管理員、質量員管理制度》. The Company has successfully obtained the Pharmaceutical Manufacturing Certificate by passing the GMP compliance inspection, providing a strong guarantee for the standardization and reliability of drug production quality.

The Company has established a comprehensive quality risk management system covering the entire lifecycle of all drugs, systematically managing aspects such as document management, personnel training, process validation, material control, production processes, laboratory controls, stability studies, and packaging design. The Company focuses on key processes such as technology transfer, material and supplier management, deviation management, change control, Corrective and Preventive Action (CAPA) management, product release, complaint handling, and product recall. Through systematic and comprehensive risk control, it ensures the quality management system remains continuously controlled and operates effectively.

- **Manufacturing Process Control**
  The Company has established a scientific and standardized bioprocess control system. In accordance with manufacturing and testing procedures, the Company has formulated detailed process specifications and quality standards, and established supporting management documents for contamination control. It sets clear regulations for key aspects such as equipment management, personnel hygiene, material use and storage, and equipment operation and cleaning, effectively preventing the risks of contamination and cross-contamination. At the same time, all materials and products are strictly sampled and inspected according to quality standards. Materials that have not been verified as qualified and released are not to be used. Finished Products must be audited and approved by the Quality Authorized Person before release. Unreleased products are strictly prohibited from leaving the factory, ensuring the safety, efficacy, and quality stability of the products.

- **Addressing Product Deviation and Anomaly**

  The Company has established regulations such as the Deviation Management Procedure (《偏差管理規程》), Laboratory Out-of-Specification Investigation Management Procedure (《實驗室異常調查管理規程》), and Microbiological Data Deviation (MDD) Results Management Procedure (《微生物實驗室MDD結果管理規程》). Any related deviations, out-of-specification (OOS) test results, or microbiological data deviations (MDD) must be investigated and evaluated to ensure all abnormalities are effectively handled and controlled. In addition, the Company has established the Non-conforming Product Management Procedure (《不合格品管理規程》) to regulate the handling of non-conforming products, prevent mix-ups, errors, contamination, and cross-contamination, and to stop non-conforming materials from being used in production and non-conforming products from entering the market.

- **Product Return**

  In accordance with national requirements for return management, Luzhu Biotech has established the Product Return Management Regulations (《產品退貨管理規程》), which primarily categorize return scenarios into "quality-related reasons" and "commercial reasons", among other classifications, and implement differentiated handling based on the respective types. All product returns must go through an application process and can only be executed after being evaluated, judged, and approved by the relevant departments.

- **Complaint**

  To ensure all complaints are handled in a timely and standardized manner, Luzhu Biotech has formulated and implemented the Complaint Handling and Management Regulations (《投訴處理管理規程》) to systematically manage the entire process of complaint collection, registration, evaluation, investigation, and resolution. It ensures that complaints related to drug defects are recorded in detail and corresponding investigations are conducted. Any department or person within the Company or its contracted manufacturing enterprises can be a source of complaint information.

Complaints are received by dedicated personnel and, after audit and evaluation, a decision is made on whether to initiate an investigation procedure. Based on their nature, complaints are classified as "major complaints" and "non-major complaints", and corresponding handling measures are taken according to the classification, with clear deadlines for handling each type of complaint. For issues involving product quality, production processes, etc., the Company will assess whether to initiate Corrective and Preventive Actions (CAPA) based on the investigation results and execute relevant actions in accordance with the Corrective and Preventive Action Management Regulations (《糾正與預防措施管理規程》). If a complaint involves adverse reaction information, it is transferred to the pharmacovigilance department for subsequent handling according to its relevant management procedures, ensuring that risks are controllable and responses are timely.

- **Recall**

  The Company has formulated internal procedures such as the Product Recall Management Regulations (《產品召回管理規程》), which define the division of responsibilities and assign responsible persons for different types of events, ensuring that problems can be handled and resolved accurately and promptly.

- **Pharmacovigilance**

  In accordance with regulatory requirements such as the Measures for the Reporting and Monitoring of Adverse Drug Reactions (《藥品不良反應報告和監測管理辦法》) and the Good Pharmacovigilance Practice (GVP) (《藥物警戒質量管理規範》), the Company has established a lifecycle pharmacovigilance system that covers the non-clinical R&D stage, clinical research, production quality management, and post-listing safety re-evaluation. By formulating policy documents such as the Standard Operating Procedure for the Collection and Handling of Individual Adverse Drug Reactions (《個例藥品不良反應收集和處理標準操作規程》), the Standard Operating Procedure for Pharmacovigilance Internal Audit Management (《藥物警戒內審管理標準操作規程》), and the Management Procedure for Drug Safety Risks (《藥品安全風險管理規程》), the Company systematically standardizes activities such as monitoring and reporting of individual and aggregate adverse reactions, responding to safety incidents, and identifying and evaluating risk signals, continuously strengthening its drug safety control capabilities and effectively ensuring patient medication safety.

  Pharmacovigilance work is coordinated and guided by the Company's designated Head of Pharmacovigilance, with the Drug Safety Committee responsible for overall decision-making and supervision. A multi-departmental coordination mechanism has been established to respond to sudden safety incidents. During the clinical trial phase, pharmacovigilance-related work for the recombinant herpes zoster vaccine (CHO cells) and K193 antibody injection is specifically undertaken by an external Contract Research Organization (CRO).

3.2.2 Quality Verification

The Company strictly adheres to the requirements of the Pharmacopoeia of the People's Republic of China《中國藥典》and the Good Manufacturing Practice of Medical Products (GMP)《藥品生產質量管理規範》to conduct comprehensive quality testing on materials and products, ensuring that non-conforming materials are not used and non-conforming products are not released.

Release management	Establish multiple systems and operating procedures to standardize the audit process for material and product release
Shipment and sale	Formulate management systems such as the Sale and Shipment Standard Operating Procedures for Finished Product《成品銷售發運標準操作規程》to standardize the dispatch and transportation process of finished products
Self-inspection and quality system review	Formulate the Self-Inspection Management Regulations《自檢管理規程》to systematically conduct quality self-inspection work from multiple aspects, continuously evaluating and improving the effectiveness of the quality management system
Confirmation and verification	Formulate a comprehensive validation plan and establish a dedicated validation management team to coordinate, organize, and manage all confirmation and validation work of the company.

3.2.3 Quality Training

Luzhu Biotech strictly adheres to the requirements of the Training Management Regulations《培訓管理規程》by formulating and implementing company-wide training plans that cover all employees. Concurrently, each department develops departmental-level training plans based on actual job requirements, clearly specifying the content of training programs, the scope of participants, and the methods for evaluating training effectiveness. The Company re-evaluates the effectiveness of training on a quarterly basis to ensure continuous improvement in training quality.

In 2025, a total of 896 company-level and department-level training sessions were completed, with on-boarding, job transfer, and additional post-training covering 77 participations. The training content included specialized training on laws and regulations, professional knowledge, job skill enhancement, and production and inspection processes. All required trainees completed the prescribed training on time, ensuring that their capabilities match the job requirements and effectively supporting the stable operation of the quality system. During the year, the cumulative number of participants in the Company's quality training reached 10,588 participations, with 3,230 participating in company-level training and 7,358 in department-level training.

3.3 Information Security and Privacy Protection

Luzhu Biotech integrates information security and privacy protection throughout its entire operational process, safeguarding the rights and interests of all stakeholders, including the Company, clients, and clinical trial participants. In the implementation of clinical research, the Company places special emphasis on the confidentiality and security of subjects' personal information and strictly implements privacy protection measures. During the reporting period, there were no customer information leakage or data security incidents at the Company.

3.3.1 Information Security

Luzhu Biotech has formulated a series of internal regulations, including the Data Security Management Regulations《數據安全管理規定》, the Information System Management System《信息系統管理制度》, to systematically build an information security management system, effectively ensuring the confidentiality, integrity, and availability of information and preventing the risk of data leakage.

The Company implements differentiated security management strategies based on the category and level of information assets.

- Establish identity authentication and access control mechanisms to strictly limit user access to sensitive information and core systems;
- For key systems and important data, enhance protection using technical means such as multi-factor authentication and data encryption;
- Establish security audit and real-time monitoring mechanisms to continuously track operations on key systems and data, and promptly identify and handle potential security threats;
- Regularly conduct security emergency drills and risk assessments to continuously improve the response and handling capabilities for sudden information security incidents.

3.3.2 Ethics in Clinical Trials

Luzhu Biotech strictly adheres to the medical ethical principles of the Declaration of Helsinki《赫爾辛基宣言》, the Guidelines for Ethical Review of Drug Clinical Trials《藥物臨床試驗倫理審查工作指導原則》, and other ICH GCP and relevant regulatory requirements of the NMPA. All clinical trials undergo regular review by the ethics committee to ensure that clinical protocols, informed consent forms, and other related documents comply with ethical standards. In addition, the Company has submitted the latest version of the clinical protocol for the recombinant herpes zoster vaccine (CHO cells) and the new version of the investigator's brochure for K193 injection to the ethics committee for filing. In 2025, the Company was not involved in any legal proceedings related to clinical trials.

Luzhu Biotech entrusts research centers to carry out subject recruitment and ensures a 100% coverage rate of informed consent forms through verification and monitoring mechanisms. During the informed consent process, subjects are able to fully understand the core content of the clinical trial and are clearly aware of their right to withdraw from the trial at any time without reason. Only after formally signing the informed consent form can subjects proceed to the screening and enrollment stages. The Company strictly protects the personal privacy of subjects, clearly stipulating that subjects' personal information and trial-related data are sensitive information. Effective confidentiality measures are taken, using research codes and screening numbers to replace real identity information. At the same time, insurance is provided for every subject participating in clinical trials to cover their treatment costs and related financial compensation during the trial period, effectively safeguarding their basic rights. Throughout the entire clinical trial process, Luzhu Biotech has consistently adhered to relevant domestic and international laws and regulations, strengthened quality management across all stages, and safeguarded the safety and personal rights of trial participants.

3.4 Intellectual Property Protection

Luzhu Biotech places great importance on intellectual property protection, strictly complying with relevant laws, regulations, and national standards such as the Patent Law of the People's Republic of China《中華人民共和國專利法》and the Enterprise Intellectual Property Management Regulations《企業知識產權管理規範》. It has systematically built an intellectual property protection system to effectively safeguard its own legitimate rights while preventing infringement of others' intellectual property rights.

To strengthen management, the Company has formulated the Intellectual Property Management System《知識產權管理制度》, which comprehensively covers key aspects such as the definition of intellectual property, file management, patent application procedures, and dispute resolution. At the same time, the Company conducts regular annual training on intellectual property protection and application for all employees to continuously enhance their awareness of intellectual property. The Company is committed to making the patent mechanism a core driving force and safeguard for technological innovation, actively encouraging and fully mobilizing the initiative and creativity of employees in invention and creation.

In 2025, the Company held a total of 43 intellectual property rights globally, including 1 new overseas patent and 3 new domestic patents during the year. In 2025, the Company was not involved in any litigation related to intellectual property.

3.5 Responsible Supply Chain

Luzhu Biotech is committed to building a responsible supply chain, continuously optimizing procurement processes, and improving the supply chain management system. The Company has established clear management systems for key processes such as supplier selection, evaluation, and change, focusing on assessing suppliers' environmental and social performance and promoting sustainable procurement practices.

3.5.1 Supplier Management

To ensure controllable material quality, Luzhu Biotech has established a system of regulations based on GMP and its appendices, and the Quality Control of Raw Materials and Excipients for Biologics Production《生物製品生產用原材料及輔料質量控制》in the general chapter of the Volume III of the Pharmacopoeia of the People's Republic of China《中國藥典》. This system includes the Procurement Management System《採購管理制度》and the Material Supplier Management Regulations《物料供應商管理規程》, managing the entire process of supplier introduction, review, approval, on-site audit, dynamic maintenance, regular evaluation, and change.

The Company implements classified control over suppliers based on the risk level of materials' impact on product quality. It comprehensively evaluates material attributes and supplier capabilities to achieve integrated management of materials and suppliers, and establishes exclusive files for each supplier with a complete access and continuous audit mechanism.

In addition, the Company regularly organizes supplier visits and exchanges to communicate on the information such as their development strategies, product dynamics, and sales personnel changes, promoting supply chain collaboration and information transparency.

3.5.2 Supplier Selection and Assessment

Based on the Material Supplier Management Regulations《物料供應商管理規程》, the Company conducts comprehensive assessments of all suppliers and incorporates environmental and social responsibility into the evaluation system. During qualification audits and on-site inspections, the focus is on reviewing their practices in employee labor rights, occupational health and safety, and business integrity.

While ensuring that material quality meets requirements, the Company prioritizes the procurement of raw materials that have completed safety filings, encourages the use of compliant renewable materials, and, under comparable conditions, gives preference to local suppliers to reduce the environmental impact of the supply chain and improve response efficiency. The evaluation results serve as an important basis for supplier admission and continued cooperation.

Quantitative indicators:

Supply chain management	Total number of suppliers		228	Supplier(s)
	Number of suppliers by region	Eastern China	72	Supplier(s)
		Southern China	63	Supplier(s)
		Northern China	73	Supplier(s)
		Central China	15	Supplier(s)
		Northwest China	0	Supplier(s)
		Northeast China	0	Supplier(s)
		Southwest China	5	Supplier(s)
		Overseas	0	Supplier(s)

4. PEOPLE-ORIENTED APPROACH

Employees are the foundation of Luzhu Biotech's development. The Company has always attached importance to protecting employee rights, and is committed to creating a safe and healthy working environment for employees, and focuses on their capacity building and career development. At the same time, Luzhu Biotech actively fulfills its mission by contributing to enhancing the accessibility of healthcare.

4.1 Protection of Employee Rights and Interests

The Company strictly complies with relevant laws and regulations such as the Labor Law of the People's Republic of China《中華人民共和國勞動法》, the Labor Contract Law of the People's Republic of China《中華人民共和國勞動合同法》, the Employment Promotion Law of the People's Republic of China《中華人民共和國就業促進法》, and has formulated and implemented a series of internal rules and regulations, including the Employee Handbook《員工手冊》, the Recruitment Management System《招聘管理制度》, and the Personnel Management System《人事管理制度》, based on the Company's situation. In the recruitment process, the Company adheres to the principles of openness, fairness, competition, and merit-based selection. It is committed to building an equal, inclusive, and harmonious diverse work environment, and resolutely opposes any form of discrimination, and strictly prohibits the use of child labor and forced labor. The Company strictly enforces national regulations on working hours and conducts weekly routine audits of overtime hours in each department. If overtime or risks such as forced labor are discovered, the Company will immediately arrange compensatory leave for the employees and issue a written warning to the head of the responsible department, effectively safeguarding the legitimate rights of employees. In 2025, the Company had no instances of employing child labor, forced labor, or infringing on employee rights. The labor contract signing rate for full-time employees reached 100%, fully achieving legal and compliant employment.

The Company conducts annual salary structure adjustments based on a comprehensive performance evaluation mechanism. This mechanism includes factors such as departmental performance assessment results, based on which the Company determines the corresponding salary increase percentage to effectively boost employee motivation. To reward employees, enhance talent incentives, and build the team, the Company has established a ten-year employee equity incentive plan, which has been reviewed and approved by the Stock Exchange of Hong Kong (HKEX) and successfully implemented.

In terms of talent acquisition, the Company has completed the registration and information update for its account on the "Beijing Talent Work Network" and actively assists eligible employees with the procedures for talent introduction. At the same time, the Company strictly makes contributions to various social insurance schemes and housing provident funds for all employees in accordance with national regulations, and provides paid maternity check-up leave for pregnant female employees. In 2025, the Company achieved 100% social insurance coverage for all full-time employees.

Quantitative indicators:

Employment	Total number of employees		205	Person(s)
	Number of employees by employment type	Full-time employees	193	Person(s)
		Part-time employees	0	Person(s)
		Others (consultants, employees signing labor agreements, and rehired employees after retiring)	12	Person(s)
	Number of employees by employee category	Senior management	13	Person(s)
		Middle management	29	Person(s)
		Rank and file	163	Person(s)
	Number of employees by gender	Male	119	Person(s)
		Female	86	Person(s)
	Number of employees by age	30 or below	88	Person(s)
		31-40	69	Person(s)
		41-50	31	Person(s)
		50 or above	17	Person(s)
	Number of employees by region	China	205	Person(s)
		Overseas	0	Person(s)
	Number of employees by ethnicity	Han ethnic employees	192	Person(s)
		Ethnic minority employees	13	Person(s)
		Expatriates	0	Person(s)
	Number of employees by educational background	Employees with a doctoral degree	5	Person(s)
		Employees with a Master's degree	28	Person(s)
		Employees with a Bachelor's degree	96	Person(s)
		Others	76	Person(s)
	Employee turnover rate		12.68	%
	Turnover rate by gender	Male	13.45	%
		Female	11.63	%
	Turnover rate by age	30 or below	18.18	%
		31-40	14.49	%
		41-50	0.00	%
		50 or above	0.00	%
	Turnover rate by region	China	12.68	%
		Overseas	N/A	%

4.2 Democratic Management

Luzhu Biotech places great emphasis on listening to employees' needs and suggestions, and is committed to improving employee communication mechanisms, facilitating open channels for dialogue, actively fostering an open, inclusive, caring, and mutually supportive work environment, and continuously enhancing employees' sense of belonging and engagement.

4.2.1 Employee Communication

To protect the right of employees to participate in corporate governance, the Company has established a labor union and holds a workers' representative congress every quarter. All major decisions must be considered and approved by a vote of the representatives before they can be implemented, ensuring the democracy and transparency of decision-making. At the same time, the Company implements the Management System for Regular Administrative Meetings《行政例會管理制度》, organizing monthly cross-departmental communication meetings. The administrative department summarizes the issues and preliminary solutions proposed by each department one week before the meeting. During the meeting, these are discussed centrally to form a unified handling opinion, efficiently promoting inter-departmental collaboration and internal problem resolution.

In terms of protecting employee rights, the Company has established and implemented the Reporting and Investigation Management System《舉報、調查管理制度》to standardize the procedures for receiving, investigating, and handling complaints and reports. It strictly protects the confidentiality of whistleblowers' information, prohibits any form of disclosure or retaliation, and specifies corresponding reward and punishment measures. Employees can report issues through a whistleblowing hotline, a dedicated email address, or by contacting publicly announced labor arbitration institutions and government regulatory authorities. All reported matters are truthfully recorded. The Company will complete the investigation within the specified time and provide timely feedback on the handling results, effectively safeguarding the legitimate rights of employees. In addition, the Company regularly collects employee opinions to continuously optimize its democratic management mechanism and create an open and fair working environment.

4.2.2 Employee Care

The Company places great importance on the well-being and sense of belonging of its employees, implementing humanistic care in all aspects and striving to create a warm working atmosphere.

To respect the diverse needs of its employees, the Company fully considers the dietary customs of Hui colleagues by providing exclusive halal work meals. The Company cares for its female employees, giving thoughtful gifts to each female colleague on Women's Day. During traditional festivals such as the Spring Festival and Mid-Autumn Festival, it also prepares festive gifts for all employees to convey warmth.

In terms of supporting employees during special periods, the Company provides one day of medical check-up leave per month for pregnant employees to protect their health rights. For nursing mothers returning to work, it flexibly arranges lactation leave and adopts a humanized management approach. At the same time, the Company is equipped with sports facilities such as badminton and table tennis courts, encouraging employees to participate in sports activities outside of work to promote physical and mental health.

Through a series of meticulous care initiatives, the Company continuously optimizes the employee experience, integrating care into daily life and putting it into practice.

4.3 Employee Training and Development

The Company is committed to creating broad development space for its employees, supporting each employee to fully demonstrate their own value and unlock their potential. The Company provides diverse job opportunities and growth platforms, encouraging employees to advance hand in hand with the enterprise, create value together, and achieve synergistic development.

4.3.1 Employee Development

Luzhu Biotech adheres to a talent development orientation, has formulated the Promotion Management System《晋升管理制度》to systematically standardize the criteria and procedures for employee promotion, and clarifies career development paths. It ensures that promotion decisions fully integrate performance assessment results with individual career planning, effectively guaranteeing the fairness and transparency of the promotion mechanism.

To stimulate employees' motivation for growth, the Company has established special incentive programs in the Performance Appraisal Measures《績效考核辦法》, such as the "R&D Achievement Award", "Qualification Certificate Award", and "Registration-type Certificate Award". It actively encourages employees to use their spare time to enhance their professional skills and achieve self-breakthroughs while on the job.

4.3.2 Employee Training

The Company promotes employee capacity building with a systematic approach, relying on the Training Management Regulations《培訓管理規程》to build a training management system that covers the entire process. This includes key aspects such as training classification, plan formulation, organization and implementation, assessment and evaluation, and file management, ensuring the scientific implementation of training work. Through institutionalized mechanisms, it ensures that employees continuously deepen their understanding of laws and regulations and thoroughly comprehend their job responsibilities.

The Company is committed to precisely empowering employees through training. For different types of employees, various departments independently conduct professional knowledge training and implement differentiated training requirements for special positions to enhance the relevance and effectiveness of the training. The Company provides employees with no less than 8 training hours of comprehensive training annually, covering job skills, new regulations, new policies, new technologies, new equipment, operating procedures, and various management requirements, to comprehensively enhance their job performance capabilities. In 2025, 100% of production personnel of the Company were licensed, meeting compliance and job qualification requirements.

Quantitative indicators:

Development & training	Total number of annual training opportunities		10,959	Participation(s)
	Average annual training duration		74	Hour(s)
	Percentage of employees trained by gender	Male	58	%
		Female	42	%
	Percentage of employees trained by employee category	Senior management	6	%
		Middle management	14	%
		Rank and file	80	%
	Average training hours completed per employee by gender	Male	76	Hour(s)
		Female	71	Hour(s)
	Average training hours completed per employee by employee category	Senior management	48	Hour(s)
		Middle management	104	Hour(s)
		Rank and file	70	Hour(s)

4.4 Occupational Health and Safety

Luzhu Biotech places a high priority on the health and safety of its employees. The Company continuously enhances its occupational health and safety management system, strictly implements relevant management measures, controls occupational health and safety risks, and strengthens employees' safety awareness and professional skills.

4.4.1 Management System

The Company strictly adheres to laws and regulations such as the Law of the People's Republic of China on Work Safety《中華人民共和國安全生產法》, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases《中華人民共和國職業病防治法》, and the Regulations of the People's Republic of China on the Administration of Controlled Chemicals《中華人民共和國監控化學品管理條例》. It has established and improved multiple management systems, including the Occupational Hazard Prevention and Control Responsibility System《職業危害防治責任制度》, the Occupational Disease Prevention, Control Publicity, Education and Training System《職業病防治宣傳教育培訓制度》, the Regulations on the Management of Hazardous Chemicals《危險化學品管理規程》, the Regulations on the Management of Precursor Chemicals and Explosive Precursors《易制毒易制爆化學品管理規程》, the Regulations on Occupational Health Management《職業健康管理規程》 and the Regulations on Occupational Hazard Warning Signs and Safety Protection Management《職業病危害警示標識和安全防護管理規程》. During the year, the Company reviewed documents such as the Safety Management Procedure for Toxic and Hazardous Operations, Management Procedure for Investigation and Rectification of Potential Safety Accidents, and Management Procedure for Production Safety and Occupational Health Objectives. It continuously improved its management system to effectively prevent safety risks and occupational disease hazards, ensuring the safety and health of its employees.

The Company has established specific emergency response plans covering various scenarios such as production safety accidents, fires, floods, and oxygen leaks, comprehensively enhancing its response efficiency and disposal capabilities for emergencies. To strengthen safety management, the Company has established a Safety Committee, whose members include the general manager, heads of various departments, and full-time safety officers. With a clear division of labor, they collaboratively advance production safety work. At the same time, by signing the Safety Responsibility Letter《安全責任書》, the Company further clarifies the safety responsibilities of personnel at all levels in the production process, promoting the actual implementation of safety management responsibilities.

4.4.2 Management Measures

The Company effectively protects the occupational health of its employees by equipping full-time occupational disease prevention and health officers and establishing a management system for labor protection equipment. The Company regularly distributes personal protective equipment such as protective glasses, acid and alkali resistant gloves, and noise-canceling earmuffs to employees, and strictly supervises their proper wearing and use. At the same time, in accordance with the Employee Physical Examination System《員工健康體檢制度》and the Employee Occupational Physical Examination System《員工職業病體檢制度》, the Company regularly organizes occupational health examinations to ensure comprehensive coverage and proper implementation. In 2025, the Company organized employees in positions exposed to occupational hazards to participate in occupational health check-ups, with a participation rate of 100%. No cases of occupational diseases caused by occupational hazards occurred.

The Company strictly controls health access for personnel, prohibiting individuals with drug allergies or open wounds on their body surface from engaging in production work that involves direct contact with drugs, thereby reducing health risks from the source. Meanwhile, the Company has established standardized work-related injury handling procedures and treatment standards to ensure a rapid response in the event of a work-related injury, and to carry out subsequent work such as work-related injury identification and disability assessment in accordance with laws and regulations. During the past three years, there were no work-related fatalities in the Company.

4.4.3 Risk Prevention and Control

The Company places great importance on the prevention and control of occupational disease hazards. It regularly conducts tests in workplaces with occupational disease hazards and organizes relevant personnel for occupational health check-ups as required, to stay informed of employees' health status in a timely manner. In response to major occupational disease risks such as high temperature, noise, and chemical poisoning, the Company has taken multiple control measures. These include strengthening mechanical ventilation, adding insulation layers, optimizing work arrangements to shorten exposure time, and implementing the provision and use of personal protective equipment. It also practices zoned cleaning of work clothes to prevent cross-contamination and effectively mitigate occupational hazards.

In terms of hazardous chemical management, the Company strictly implements systems for receiving and dispatching registration, classified storage, and personnel training. It enforces a regular inspection mechanism by warehouse managers and safety officers to ensure that chemicals comply with safety and regulatory requirements throughout the entire process of storage and use, preventing safety incidents caused by management oversights.

To strengthen daily safety management, the Company conducts daily inspections, departmental self-inspections, comprehensive factory-wide inspections, and special inspections in key areas and during major holidays. This systematically identifies potential safety hazards, promptly informs relevant management personnel, and promotes rectification.

In March 2025, the Company conducted an identification of harmful factors for occupational diseases in production positions, including the identification of job-related factors, allocation of personal protective equipment, and replacement of personal protective equipment, to further reduce the risk of safety accidents. During the year, the Company had no production safety accidents, and the completion rate of safety and occupational health objectives reached 100%.

4.4.4 Safety Education and Training

The Company continuously strengthens its safety culture construction, comprehensively enhancing employees' safety literacy and emergency response capabilities through systematic training and diverse publicity. The Company regularly conducts production safety knowledge training to help employees master the correct use of fire-fighting equipment and enhance their job safety operation skills. At the same time, it updates the occupational health bulletin board monthly, posts fire safety knowledge posters, and combines these with themed activities such as Safety Promotion Month and safety knowledge competitions to create a safety atmosphere of full participation and continuously strengthen employees' safety awareness.

To enhance the level of emergency response, the Company organizes various practical drills, including fire evacuation assemblies and comprehensive emergency plan drills, to ensure that employees are familiar with emergency procedures and have a clear understanding of their roles and responsibilities. In 2025, the Company conducted a total of 14 safety training sessions with 597 participants, and organized 4 emergency drills with 286 participants, providing strong support for achieving production safety goals.

On-site of the comprehensive emergency response plan drill

Quantitative indicators:

Health & Safety	Number of work-related fatalities over the past three years	0	Person(s)
	Lost days due to work injury	0	Day(s)

4.5 Inclusive Development

Luzhu Biotech relies on its continuous innovation capabilities to actively promote the broad coverage and equitable accessibility of medical resources, committed to creating long-term value for society. The Company has made significant progress in the research and development of its core products. The application for marketing registration of the recombinant herpes zoster vaccine LZ901 was accepted by the NMPA in February 2025. It is expected to become the first approved domestic recombinant herpes zoster vaccine, achieving domestic substitution and benefiting a wider audience with a more affordable price. Meanwhile, the Company continued to focus on unmet clinical needs globally and increased investment in research and development to strategically develop vaccine pipelines with the potential to be first-in-class worldwide, thereby improving overall public health. In addition, Luzhu Biotech actively encourages employees to participate in social volunteer services, fulfilling corporate social responsibility through practical actions, supporting community development, and promoting sustainable social progress.

APPENDICES

APPENDIX I KEY PERFORMANCE INDICATORS TABLE

Environmental Performance

ESG Indicators			2025	2024	2023	Unit
Emissions	Exhaust gas	Oxysulfide emission	**0**	0	0	Ton(s)
		Oxynitride emission	**0**	0	0	Ton(s)
		Particulate matter emission	**0**	0	0	Ton(s)
	Wastewater	Wastewater discharge	**10,410.6**	21,837.6	15,744.6	Ton(s)
	Hazardous waste	Hazardous waste discharge	**1.38**	3.00	0.90	Ton(s)
		Hazardous waste discharge intensity	**0.0067**	0.0183	0.0068	Ton(s)/person
	Non-hazardous waste	Non-hazardous waste discharge	**0**	0	0	Ton(s)
		Non-hazardous waste discharge intensity	**0**	0	0	Ton(s)/person
Greenhouse gas	Total greenhouse gas emissions		**3,014.82**	2,529.37	1,562.50	tCO_2e
	Greenhouse gas emission intensity		**14.71**	15.42	11.75	tCO_2e/person
	Scope 1 greenhouse gas emissions		**0**	0	0	tCO_2e
	Scope 1 greenhouse gas emission intensity		**0**	0	0	tCO_2e/person
	Scope 2 greenhouse gas emissions		**2,965.63**	2,529.37	1,562.50	tCO_2e
	Scope 2 greenhouse gas emission intensity		**14.47**	15.42	11.75	tCO_2e/person
	Scope 3 greenhouse gas emissions[3]		**49.19**	/	/	tCO_2e
	Scope 3 greenhouse gas emission intensity		**0.24**	/	/	tCO_2e/person
Use of resources	Comprehensive energy consumption		**771.77**	681.19	396.53	Ton(s) of standard coal
	Comprehensive energy consumption intensity		**3.76**	4.15	2.98	Ton(s) of standard coal/ person
	Water consumption		**33,795**	24,264	17,494	Ton(s)
	Water consumption intensity		**164.85**	147.95	131.53	Ton(s)/person
	Electricity consumption		**355.33**	237.41	202.40	10,000 kWh
	Petrol consumption		**0**	0	0	Liter(s)
	Diesel consumption		**0**	0	0	Liter(s)
	Natural gas consumption		**0**	0	0	Cubic meter(s)
	Purchased steam		**3,741**	4,348	1,650	Ton(s)
	Packaging material consumption		**4.04**	2.21	0.37	Ton(s)
	Packaging material consumption intensity		**0.0197**	0.0135	0.0028	Ton(s)/person
	Office paper consumption		**2.69**	2.62	1.25	Ton(s)
	Number of environmental incident or administrative penalty		**0**	0	0	Case(s)

3 Scope 3 greenhouse gas emissions include the business travel category.

Social Performance

ESG Indicators			2025	2024	2023	Unit
Employment	Total number of employees		**205**	164	133	Person(s)
	Number of employees by employment type	Full-time employees	**193**	159	122	Person(s)
		Part-time employees	**0**	0	3	Person(s)
		Others	**12**	5	8	Person(s)
	Number of employees by employee category	Senior management	**13**	11	10	Person(s)
		Middle management	**29**	26	14	Person(s)
		Rank and file	**163**	127	109	Person(s)
	Number of employees by gender	Male	**119**	96	75	Person(s)
		Female	**86**	68	58	Person(s)
	Number of employees by age	30 or below	**88**	70	52	Person(s)
		31-40	**69**	59	42	Person(s)
		41-50	**31**	22	22	Person(s)
		50 or above	**17**	13	17	Person(s)
	Number of employees by region	China	**205**	164	132	Person(s)
		Overseas	**0**	0	1	Person(s)
	Number of employees by ethnicity	Han ethnic employees	**192**	151	127	Person(s)
		Ethnic minority employees	**13**	13	5	Person(s)
		Expatriates	**0**	0	1	Person(s)
	Number of employees by educational background	Employees with a doctoral degree	**5**	4	4	Person(s)
		Employees with a Master's degree	**28**	24	23	Person(s)
		Employees with a Bachelor's degree	**96**	80	66	Person(s)
		Others	**76**	56	40	Person(s)
	Employment contract coverage		**100**	100	100	%
	Social insurance coverage		**100**	100	100	%
	Number of employees leaving employment		**26**	37	19	Person(s)
	Employee turnover rate		**12.68**	22.56	14.29	%
	Turnover rate by gender	Male	**13.45**	20.83	14.67	%
		Female	**11.63**	25.00	13.79	%

ESG Indicators			2025	2024	2023	Unit
	Turnover rate by age	30 or below	**18.18**	27.14	11.54	%
		31-40	**14.49**	15.25	11.90	%
		41-50	**0.00**	36.36	13.64	%
		50 or above	**0.00**	7.69	29.41	%
	Turnover rate by region	China	**12.68**	22.56	14.39	%
		Overseas	**N/A**	0.00	0.00	%
Health & safety	Physical examination coverage of all full-time employees		**100**	100	100	%
	Occupational health check-up coverage		**100**	100	100	%
	Rate of licensed production personnel		**100**	100	100	%
	Safety training	Number of sessions	**14**	14	13	Session(s)
		Number of participations	**597**	691	562	Participation(s)
	Emergency drills	Number of sessions	**4**	4	6	Session(s)
		Number of participations	**286**	226	279	Participation(s)
	Number of work-related fatalities occurred in the past three years		**0**	0	0	Person(s)
	Lost days due to work injury		**0**	0	0	Day(s)
	Number of workplace accidents		**0**	0	0	Case(s)
Development & training	Total number of annual training opportunities		**10,959**	3,967	3,298	Participation(s)
	Average annual training duration		**74**	61	28	Hour(s)
	Percentage of employees trained by gender	Male	**58**	59	58	%
		Female	**42**	41	42	%
	Percentage of employees trained by employee category	Senior management	**6**	7	8	%
		Middle management	**14**	16	24	%
		Rank and file	**80**	77	68	%
	Average training hours completed per employee by gender	Male	**76**	65	31	Hour(s)
		Female	**71**	54	24	Hour(s)
	Average training hours completed per employee by employee category	Senior management	**48**	16	15	Hour(s)
		Middle management	**104**	52	28	Hour(s)
		Rank and file	**70**	67	27	Hour(s)

ESG Indicators			2025	2024	2023	Unit
	Total R&D investment		9,647.5	13,513.4	17,268.5	RMB10,000
	The size of the R&D team		135	114	72	Person(s)
	Number of authorized patents		12	9	5	Item(s)
	Number of patents under review		5	4	8	Item(s)
	Number of registered trademarks		30	30	19	Item(s)
	Percentage of total products sold or shipped subject to recalls for safety and health reasons		0	0	0	%
Product Responsibility	Quality training	Number of participations in company-level trainings	3,230	1,619	/	Participation(s)
		Number of participations in department-level trainings	7,358	1,738	/	Participation(s)
	Number of product and service complaint(s)		0	0	0	Case(s)
	Clinical trial ethics review coverage		100	100	100	%
	Subject informed consent coverage		100	100	100	%
	Number of intellectual property litigations		0	0	0	Case(s)
	Number of intellectual properties retained		43	39	24	Item(s)
Supply chain management	Total number of suppliers		228	363	334	Supplier(s)
	Number of suppliers by region	Overseas	0	6	23	Supplier(s)
		Eastern China	72	106	88	Supplier(s)
		Southern China	63	64	43	Supplier(s)
		Northern China	73	167	163	Supplier(s)
		Central China	15	15	10	Supplier(s)
		Northwest China	0	0	0	Supplier(s)
		Northeast China	0	1	1	Supplier(s)
		Southwest China	5	4	6	Supplier(s)
		Others	0	0	0	Supplier(s)
	Percentage of suppliers that incorporate environmental and social impacts into their supplier evaluation questionnaire		100	100	100	%
Community investment	Employee volunteer duration		0	45	21	Hour(s)
	Number of employee volunteer participations		0	15	7	Participation(s)

Governance Performance

ESG Indicators			2025	2024	2023	Unit
Anti-corruption	Number of concluded legal cases regarding corrupt practices		0	0	0	Case(s)
	Business ethics and anti-corruption training	Number of trained director participations	9	9	9	Participation(s)
		Number of trained employee participations	113	161	131	Participation(s)
		Director training hours	9	9	9	Hour(s)
		Employee training hours	113	161	131	Hour(s)

APPENDIX II INDEX TO THE HKEX'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE

Mandatory disclosure requirements

Mandatory disclosure requirements	Description	Page
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	73

Mandatory disclosure requirements	Description	Page
Reporting principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	72
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	72

"Comply or Explain" Provisions

Subject Areas, Aspects, General Disclosures and KPIs

	Description	Page
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste, etc..	82
KPI A1.1	The types of emissions and respective emissions data.	88, 112
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	88, 112
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production, per facility).	88, 112
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	91
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	87
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. *Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.*	83
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	85, 112
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	85, 112

	Description	Page
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	83-84
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	84
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	85, 112
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	82
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	82-91
B. Social		
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	103, 106
KPI B1.1	Total workforce by gender, employment type (for example, full or part-time), age group and geographical region.	104, 113
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	104, 113-114

	Description	Page
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the provision of a safe working environment and protecting employees from occupational hazards.	108-109
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	111, 114
KPI B2.2	Lost days due to work injury.	111, 114
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	107-111
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	106-107
KPI B3.1	The percentage of employees trained by gender and employee category.	107, 114
KPI B3.2	The average training hours completed per employee by gender and employee category.	107, 114
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	103
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	103
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	103

	Description	Page
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	102
KPI B5.1	Number of suppliers by geographical region.	102, 115
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	101-102
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	102
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	102
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	95-99
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	94, 115
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	94, 115
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	100-101

	Description	Page
KPI B6.4	Description of quality assurance process and recall procedures.	95-98
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	99-100
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	81
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	81, 116
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	81
KPI B7.3	Description of anti-corruption training provided to directors and staff.	81, 116
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	111
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	111
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	111, 115

Climate-related Disclosures

Climate-related Disclosures	Page or Remark
Governance	
Skills and competencies of the governance body at the board level	88
How and how often the governance body at the board level is informed	88
Oversight by the governance body at the board level	88
Roles and Responsibilities of Management	88
Strategy	
Climate-related risks and opportunities	89-90
Business model and value chain	89-90
Strategy and decision-making	89-90
Financial position, financial performance and cash flows	89-90
Climate resilience	89-90
Risk management	
Climate-related risk identification, assessment, prioritization and monitoring processes	90
Climate-related opportunity identification, assessment, prioritization and monitoring processes	90
Integration of climate-related risks and opportunities into the overall risk management process	90
Indicators and targets	
Greenhouse gas emissions	91, 112
Climate-related transition risks	90
Climate-related physical risks	89
Climate-related opportunities	90
Capital deployment	The Company will gradually integrate climate-related considerations into its capital deployment
Internal carbon prices	91
Remuneration	The Company will gradually incorporate climate-related indicators into remuneration assessments in accordance with its development progress
Industry-based metrics	112
Climate-related targets	91

APPENDIX III READER FEEDBACK FORM

Dear reader,

We thank you for taking the time to read this report. We have created this questionnaire to better understand your expectations and needs toward Luzhu Biotech's ESG practices and further improve our ESG work. We sincerely invite you to fill in this form as we highly value your feedback. Thanks again for your valuable opinions and suggestions!

1. What is your identity in relation to Luzhu Biotech?
   ☐ Government/Regulatory Authority ☐ Shareholder/Investor ☐ Customer/Consumer ☐ Employee
   ☐ Community Member ☐ Supplier/Partner ☐ Others

2. Are you satisfied with this report of the Year?
   ☐ Yes ☐ No ☐ Average

3. Does this report of the Year contain all the information of your interest?
   ☐ Yes ☐ No ☐ Average

4. How do you evaluate the readability of this report?
   ☐ Very Good ☐ Good ☐ Average ☐ Bad ☐ Very Poor

5. How do you evaluate the structure of this report?
   ☐ Very Good ☐ Good ☐ Average ☐ Bad ☐ Very Poor

6. Does the information disclosed in this report meet your expectations?
   ☐ Yes ☐ No ☐ Not Sure

Deloitte. 德勤

TO THE SHAREHOLDERS OF BEIJING LUZHU BIOTECHNOLOGY CO., LTD.
(北京綠竹生物技術股份有限公司)
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Beijing Luzhu Biotechnology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 129 to 184, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 Standards Board ("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 the 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 the matter.

Key audit matter	How our audit addressed the key audit matter
Progress of completion on outsourcing service	
As disclosed in Note 10 to the consolidated financial statements, the Group incurred outsourcing service fees in relation to clinical trials amounting to approximately RMB41 million for the year ended December 31, 2025. The research and development activities with the outsourcing service providers, including contract research organizations ("CRO") and clinical trial sites, are documented in detailed agreements and the determination on the progress of completion for recognition of outsourcing service fees to the profit and loss accounts and the corresponding accrual involves significant estimations and judgments. We identified the determination on the progress of completion on outsourcing service as a key audit matter because it involves significant estimations and judgments and the outsourcing service fees for the year ended December 31, 2025 is the largest component in the research and development ("R&D") expenses.	Our procedures included: • Obtaining and checking the relevant supporting documents in relation to the recognition of outsourcing service fees to the profit and loss accounts based on the formal communication between the Group and the outsourcing service providers; • For the service provided by CRO, sending confirmations or emails, on a sample basis, to check the information used by management to measure the R&D expenses; and • For the service fees paid to clinical trial centres, testing the accrual of the R&D expenses with reference to the supporting clinical trial data and service price based on respective contract.

OTHER INFORMATION

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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.

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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE 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.

Those charged with governance are responsible 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 judgment and maintain professional skepticism 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 those charged with governance, 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 CHENG, Pak Chuen, Patrick (practising certificate number: P05601).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 18, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended December 31, 2025

	NOTES	For the year ended December 31, 2025 RMB'000	2024 RMB'000
Other income	*6*	**11,031**	21,387
Other gains and losses, net	*7*	**(4,221)**	11,818
Administrative expenses		**(51,790)**	(64,795)
Research and development expenses		**(96,475)**	(135,134)
Finance costs	*8*	**(6,583)**	(766)
Selling and distribution expenses		**(758)**	–
Other expenses		**(1,554)**	(745)
Share of loss of an associate	*19*	**(5)**	–
Loss before tax		**(150,355)**	(168,235)
Income tax expense	*9*	**–**	–
Loss and total comprehensive expense for the year	*10*	**(150,355)**	(168,235)
Loss per share (RMB)	*14*		
Basic		**(0.75)**	(0.83)
Diluted		**(0.75)**	(0.83)

Consolidated Statement of Financial Position

At December 31, 2025

	NOTES	As at December 31, 2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*15*	**493,532**	457,588
Right-of-use assets	*16*	**94,765**	99,504
Intangible assets	*17*	**8,187**	8,329
Prepayments, deposits and other receivables	*18*	**2,589**	12,166
Bank balances	*22*	**1,014**	–
Investment in an associate	*19*	**995**	–
		601,082	577,587
CURRENT ASSETS			
Materials	*20*	**3,649**	5,735
Prepayments, deposits and other receivables	*18*	**15,400**	13,461
Financial assets at fair value through profit or loss ("FVTPL")	*21*	**323,515**	313,554
Bank balances	*22*	**95,946**	140,126
		438,510	472,876
CURRENT LIABILITIES			
Advance payments received and other payables	*23*	**78,360**	97,037
Lease liability	*24*	**1,598**	–
Bank borrowings	*25*	**37,008**	1,820
Deferred government grants	*26*	**1,500**	–
		118,466	98,857
NET CURRENT ASSETS		**320,044**	374,019
TOTAL ASSETS LESS CURRENT LIABILITIES		**921,126**	951,606
NON-CURRENT LIABILITIES			
Bank borrowings	*25*	**222,606**	53,094
Lease liability	*24*	**11,784**	12,619
Deferred government grants	*26*	**26,617**	32,302
		261,007	98,015
NET ASSETS		**660,119**	853,591
CAPITAL AND RESERVES			
Share capital	*27*	**202,450**	202,450
Reserves		**457,669**	651,141
TOTAL EQUITY		**660,119**	853,591

The consolidated financial statements on pages 129 to 184 were approved and authorized for issue by the board of directors on March 18, 2026 and are signed on its behalf by:

Kong Jian	**Zhang Yanping**
DIRECTOR	*DIRECTOR*

Consolidated Statement of Changes in Equity

For the Year ended December 31, 2025

	Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000	Share-based payments reserve RMB'000 (Note 29)	Accumulated losses RMB'000	Total RMB'000
At January 1, 2024	202,450	2,448,245	–	139,770	(1,769,837)	1,020,628
Loss and total comprehensive expense for the year	–	–	–	–	(168,235)	(168,235)
Recognition of equity-settled share-based payments *(Note 29)*	–	–	–	33,503	–	33,503
Vesting of shares granted *(Note 29)*	–	173,273	–	(173,273)	–	–
Repurchase of shares *(Note 27)*	–	–	(32,305)	–	–	(32,305)
At December 31, 2024	**202,450**	**2,621,518**	**(32,305)**	**–**	**(1,938,072)**	**853,591**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(150,355)**	**(150,355)**
Repurchase of shares *(Note 27)*	**–**	**–**	**(43,117)**	**–**	**–**	**(43,117)**
At December 31, 2025	**202,450**	**2,621,518**	**(75,422)**	**–**	**(2,088,427)**	**660,119**

Consolidated Statement of Cash Flows

For the Year ended December 31, 2025

	NOTES	For the year ended December 31, 2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Loss before tax		**(150,355)**	(168,235)
Adjustment for:			
Fair value gains on financial assets at FVTPL	*7*	**(3,258)**	(11,097)
Foreign exchange losses (gains), net	*7*	**1,540**	(1,022)
Depreciation of property, plant and equipment	*10*	**26,333**	21,277
Depreciation of right-of-use assets		**4,310**	3,485
Amortization of intangible assets	*10*	**551**	248
Losses on disposal of property, plant and equipment	*7*	**5**	247
Interest income		**(1,182)**	(2,842)
Loss on early termination of a lease	*7*	**–**	29
Finance costs	*8*	**6,583**	766
Release of deferred government grants		**(6,185)**	(5,365)
Recognition of equity-settled share-based payments		**–**	33,503
Impairment loss on property, plant and equipment		**5,934**	–
Share of loss of an associate		**5**	–
Operating cash flows before movements in working capital		**(115,719)**	(129,006)
Decrease (increase) in materials		**2,086**	(2,258)
(Increase) decrease in prepayments, deposits and other receivables		**(1,939)**	34,938
(Decrease) increase in advance payments received and other payables		**(15,474)**	10,241
Increase in deferred government grants related to research and development activities		**2,000**	–
NET CASH USED IN OPERATING ACTIVITIES		**(129,046)**	(86,085)

For the Year ended December 31, 2025

	NOTES	For the year ended December 31, 2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Interest received		**829**	2,913
Purchases of property, plant and equipment		**(60,125)**	(94,369)
Proceeds from disposal of property, plant and equipment		**2**	–
Refund of rental deposits		**–**	4
Purchases of financial assets at FVTPL		**(581,886)**	(476,390)
Proceeds from disposal of financial assets at FVTPL		**575,183**	517,278
Placement of term deposits with original maturity over three months		**(56,441)**	–
Maturity of term deposits with original maturity over three months		**–**	7,000
Payment for intangible assets	*17*	**(1,216)**	(4,019)
Investment in an associate		**(1,000)**	–
NET CASH USED IN INVESTING ACTIVITIES		**(124,654)**	(47,583)
FINANCING ACTIVITIES			
New bank borrowing raised	*32*	**204,519**	54,858
Repayment of bank borrowing	*32*	**–**	(7,000)
Interest paid	*32*	**(6,101)**	(664)
Payments on repurchase of shares		**(43,117)**	(32,305)
NET CASH FROM FINANCING ACTIVITIES		**155,301**	14,889
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(98,399)**	(118,779)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**140,126**	257,891
Effect of foreign exchange rate changes		**(1,540)**	1,014
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*22*	**40,187**	140,126

1. GENERAL INFORMATION

Beijing Luzhu Biotechnology Co., Ltd. (the "Company") was established as a limited liability company in Beijing, the People's Republic of China (the "PRC") on November 9, 2001. The Company was converted into a joint stock company with limited liability under the Company Law of the PRC on July 19, 2013. The address of the registered office and the principal place of business of the Company is No. 3 Guangtong Street, Industrial Development Zone, Tongzhou District, Beijing, PRC. The controlling shareholders of the Company are Mr. Kong Jian and his spouse, namely Ms. Zhang Yanping through their direct or indirect interests held in the Company.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with effect from May 8, 2023.

The Company and its subsidiaries are principally engaged in research, development and production of vaccines and therapeutic biologics in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatorily effective for the Group's annual period beginning on January 1, 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

(b) New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS Accounting Standards

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after January 1, 2026.

[3] Effective for annual periods beginning on or after January 1, 2027.

Except for the new and amendments to IFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provides disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improves aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's MPMs will be disclosed in a separate note to the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with IFRSs Accounting Standards as issued by IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Investment in an associate (Continued)

The results and assets and liabilities of an associate are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 6.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Leases

The Group as a lessee

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the Group.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred government grants in the consolidated financial statements and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Share-based payments

Equity-settled share-based payment transactions

Share awards granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share awards granted are vested, the amount previously recognized in share-based payments reserve will be transferred to share premium.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment (other than construction in progress), are stated in the consolidated statements of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalized, in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statements of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

Depreciation is recognized so as to write off the cost of property, plant and equipment, other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Variable payments that are dependent on the Group's future activity are excluded from the initial measurement of intangible assets and instead are recognized as a liability when the condition that triggers the obligation occurs. The subsequent changes in the liability are recognized as an adjustment to the cost of the intangible assets if it is determined that the future payment is related to the cost of the assets or otherwise recognized as an expense in the period in which they are incurred.

Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Intangible assets (Continued)

Research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Impairment on property, plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets and intangible assets (Continued)

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. An impairment loss is recognized immediately in profit or loss.

Materials

Materials are mainly reagent and consumable materials for research and development purposes. Materials are stated at the lower of cost and recoverable amount, and expensed as they are consumed.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Group are subsequently measured at fair value.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Interest income is recognized in profit or loss and included in the “other income” line item.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL

The Group's financial assets that do not meet the criteria for being measured at amortized cost are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss includes any interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") on financial assets (including bank balances, deposits and other receivables) which are subject to impairment assessment under IFRS 9 *Financial Instruments* ("IFRS 9"). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

For all financial assets, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses, net' line item as part of the foreign exchange gains/(losses), net;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses, net' line item as part of the fair value gains/(losses) on financial assets at FVTPL.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognized in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Material accounting policy information (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. The liability/equity classification made at initial recognition is reconsidered if there are changes to the contractual terms of the instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial instruments issued by the Group, which include no contractual obligation for the Group to deliver cash or other financial assets are classified as equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities including other payables and bank borrowings are subsequently measured at amortized cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'other gains and losses, net' line item in profit or loss as part of foreign exchange gains/(losses), net for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgment in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Research and development expenditures

There are two phases in the generation of the Group's vaccines and therapeutic biologics internally: the research phase and the development phase. Development costs incurred are capitalized 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 use or sell the asset, how the asset will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset, and the Group's ability to measure reliably the expenditure attributable to the asset during the development phase. Development costs which do not meet these criteria are expensed when incurred.

The Directors assess the progress of each research and development projects and determine whether the criteria are met for capitalization. During the two years ended December 31, 2025, all research costs are expensed when incurred.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Useful lives and impairment of property, plant and equipment

The Group determines the estimated useful lives and the depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the management's experience of the actual useful lives of property, plant and equipment of similar nature and functions. In addition, the Group assesses impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable. Any change in these estimates may have a material impact on the results of the Group. The Group will increase the depreciation charges where useful lives are estimated to be shorter than previously estimated, or will write off or write down obsolete assets that have been abandoned or impaired.

As at December 31, 2025, the carrying amount of property, plant and equipment was RMB493,532,000 (December 31, 2024: RMB457,588,000), after taking into account the impairment losses of RMB5,934,000 (December 31, 2024: nil) that have been recognized.

5. SEGMENT INFORMATION

For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision makers, review the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one operating and reportable segment and no further analysis of this single segment is presented.

The Group did not record any revenue during the year ended December 31, 2025 (year ended December 31, 2024: nil). As at December 31, 2025, the Group's non-current assets excluding financial instruments amounting to RMB599,696,000 (December 31, 2024: RMB577,236,000) are all located in Mainland China, accordingly, no analysis of geographical information is presented.

6. OTHER INCOME

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Income from sales of immunoassay kits (Note)	**3,373**	1,925
Government grants related to		
– Research and development activities	**500**	6,442
– Plant and machinery *(Note 26)*	**3,015**	2,695
– Right-of-use assets *(Note 26)*	**2,670**	2,670
– Others	**216**	4,813
Interest income on bank balances	**1,161**	2,822
Rental income from property	**75**	–
Interest income from rental deposits	**21**	20
Total	**11,031**	21,387

Note: An analysis of the Group's income from sales of immunoassay kits is as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Type of goods		
Immunoassay kits	**3,373**	1,925
Timing of recognition		
At a point in time	**3,373**	1,925

During the year, the Group sells immunoassay kits to pharmaceutical companies. Sale of immunoassay kits is not considered the principal business of the Group. For sales of immunoassay kits to its customers, income is recognized when customers obtain control of the goods, being at the point the goods are delivered to the customers. The Group usually requires 100% upfront payments from its customers and occasionally allows a credit period of 90 days to its customers. The transaction price received by the Group is recognized as contract liability until the immunoassay kits are delivered to the customers.

6. OTHER INCOME (CONTINUED)

During the year, income from sales of immunoassay kits of the corresponding years contributing over 10% of such income of the Group are as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Customer A	**579**	601
Customer B	**N/A***	293
Customer C	**982**	N/A*

* The corresponding income did not contribute over 10% of total income from sales of immunoassay kits of the Group for the relevant year.

7. OTHER GAINS AND LOSSES, NET

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Fair value gains on financial assets at FVTPL	**3,258**	11,097
Losses on disposal of property, plant and equipment	**(5)**	(247)
Impairment losses recognized on property, plant and equipment	**(5,934)**	–
Foreign exchange (losses) gains, net	**(1,540)**	997
Loss on early termination of a lease	**–**	(29)
Total	**(4,221)**	11,818

8. FINANCE COSTS

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Interest on bank borrowings	**6,282**	720
Interest on lease liabilities	**763**	724
Total borrowing costs	**7,045**	1,444
Less: amounts capitalized in construction in progress	**(462)**	(678)
	6,583	766

9. INCOME TAX EXPENSE AND DEFERRED TAXATION

Income tax expense

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the statutory tax rate of the Company and its PRC subsidiaries is 25% for both years.

Pursuant to the notice of the Ministry of Finance and the State Administration of Taxation on extending the loss carrying forward period of high and new technology enterprises and high-tech small and medium enterprises (Cai Shui [2018] No. 76), with effect from January 1, 2018, for qualified high and new technology enterprises and high-tech small and medium enterprises, the unutilized tax losses incurred in the previous 5 years can be utilized in 10 years from the year of loss. The Company was qualified as high and new technology enterprise from October 31, 2018 to October 31, 2021 and the unutilized tax losses of the Company incurred between year 2013 and year 2020 will be expired in 10 years from the year of loss.

No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Group's Hong Kong subsidiary that was subject to Hong Kong profit tax for both years.

No provision for PRC income tax was made as the Company and its PRC subsidiaries incurred tax losses for both years.

Income tax expense for the current year can be reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss before tax	**(150,355)**	(168,235)
Tax at the statutory tax rate of 25% (2024: 25%)	**(37,589)**	(42,059)
Tax effect of expenses not deductible for tax purpose	**766**	9,719
Tax effect of income not taxable for tax purpose	**(113)**	(1,843)
Tax effect of super deduction for research and development expenses (Note)	**(20,119)**	(24,840)
Tax effect of deductible temporary differences not recognized	**2,889**	6,194
Tax effect of tax losses not recognized	**54,166**	52,829
	–	–

Note: Pursuant to Caishui 2021 circular No. 13, the Group enjoys accelerated deduction of 200% on qualifying research and development expenses from January 1, 2023.

9. INCOME TAX EXPENSE AND DEFERRED TAXATION (CONTINUED)

Deferred taxation

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	**4,167**	4,256
Deferred tax liabilities	**(4,167)**	(4,256)
	–	–

The following are the deferred tax liabilities and assets recognized and movements thereon:

	Tax losses	Revaluation of property, plant and equipment and leasehold lands	Fair value gains on financial assets at FVTPL	Total
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
At January 1, 2024	4,884	(3,812)	(1,072)	–
(Charge) credit to profit or loss	(628)	147	481	–
At December 31, 2024	4,256	(3,665)	(591)	–
(Charge) credit to profit or loss	(89)	120	(31)	–
At December 31, 2025	**4,167**	**(3,545)**	**(622)**	**–**

As at December 31, 2025, the Group had estimated unused tax losses of approximately RMB928,277,000 (December 31, 2024: RMB712,328,000) which are available for offset against future profits. Deferred tax assets have been recognized in respect of approximately RMB16,667,000 (December 31, 2024: RMB17,022,000) of such losses as at December 31, 2025. No deferred tax asset has been recognized in respect of the remaining approximately RMB911,610,000 (December 31, 2024: RMB695,306,000) due to the unpredictability of future profit streams as at December 31, 2025.

9. INCOME TAX EXPENSE AND DEFERRED TAXATION (CONTINUED)

Deferred taxation (Continued)

The unrecognized tax losses with expiry dates are disclosed in the following table:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
2025	**–**	260
2026	**13,213**	15,924
2027	**85,361**	85,430
2028	**343,707**	340,748
2029	**235,244**	235,164
2030	**234,085**	17,780
Total	**911,610**	695,306

No deferred tax asset has been recognized in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

10. LOSS FOR THE YEAR

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss for the year has been arrived at after charging:		
Employee benefits expense:		
– salaries and other allowances	**37,050**	31,684
– retirement benefits	**3,791**	2,994
– equity-settled share-based payments included in administrative expenses	**–**	24,479
– equity-settled share-based payments included in research and development expenses	**–**	9,024
Total employee benefits expense	**40,841**	68,181
Auditor's remuneration	**1,798**	1,900
Depreciation of property, plant and equipment	**26,333**	21,277
Depreciation of right-of-use assets	**4,739**	4,771
Amortization of intangible assets	**551**	248
Less: capitalized in construction in progress	**(429)**	(1,286)
Total depreciation and amortization	**31,194**	25,010
Impairment losses recognized on property, plant and equipment	**(5,934)**	–
Short-term leases expenses	**93**	415
Cost of materials included in research and development expenses	**5,325**	6,656
Outsourcing service fees in relation to clinical trials included in research and development expenses	**41,461**	84,728

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

The emoluments paid or payable to the Directors, chief executive and supervisors of the Company are as follows:

Year ended December 31, 2025

	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000 (Note b)	Retirement benefits RMB'000	Total RMB'000
Executive directors:				
Mr. Kong Jian (Chief executive)	601	101	–	702
Ms. Jiang Xianmin (Note d)	361	–	–	361
Ms. Peng Ling (Note a)	133	98	19	250
Ms. Zhang Yanping	510	96	–	606
Sub-total	1,605	295	19	1,919
Non-executive directors:				
Mr. Ma Biao	–	–	–	–
Mr. Kong Shuangquan	–	–	–	–
Sub-total	–	–	–	–
Independent non-executive directors:				
Ms. Hou Aijun	160	–	–	160
Mr. Leung Wai Yip	160	–	–	160
Mr. Liang Yeshi	160	–	–	160
Sub-total	480	–	–	480
Supervisors:				
Ms. Peng Ling (Note a)	319	–	43	362
Mr. Chen Liang	266	49	42	357
Ms. Kong Xi	304	49	48	401
Ms. Wang Wei (Note c)	66	21	11	98
Sub-total	955	119	144	1,218
Total	3,040	414	163	3,617

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS (CONTINUED)

Year ended December 31, 2024

	Salaries and other allowances RMB'000	Discretionary bonuses RMB'000 (Note b)	Retirement benefits RMB'000	Equity-settled share-based payments expense RMB'000	Total RMB'000
Executive directors:					
Mr. Kong Jian (Chief executive)	601	101	11	445	1,158
Ms. Jiang Xianmin	510	93	–	–	603
Ms. Zhang Yanping	510	127	–	13,936	14,573
Sub-total	1,621	321	11	14,381	16,334
Non-executive directors:					
Mr. Ma Biao	–	–	–	–	–
Mr. Kong Shuangquan	–	–	–	–	–
Sub-total	–	–	–	–	–
Independent non-executive directors:					
Ms. Hou Aijun	160	–	–	–	160
Mr. Leung Wai Yip	160	–	–	–	160
Mr. Liang Yeshi	160	–	–	–	160
Sub-total	480	–	–	–	480
Supervisors:					
Ms. Peng Ling (Note a)	448	81	58	3,576	4,163
Ms. Kong Xi	300	56	38	–	394
Mr. Chen Liang	263	86	39	501	889
Sub-total	1,011	223	135	4,077	5,446
Total	3,112	544	146	18,458	22,260

Notes:

a. Ms. Peng Ling resigned as a supervisor and was appointed as an executive director on September 15, 2025.

b. Discretionary bonuses are determined based on the Group's performance, performance of the relevant individual within the Group.

c. Ms. Wang Wei was appointed as a supervisor on September 15, 2025.

d. Ms. Jiang Xianmin was resigned as executive director effective from September 15, 2025.

Certain directors and supervisors were granted shares, in respect of their services to the Group, details are set out in Note 29 to the consolidated financial statements.

There were no arrangement under which a director, a supervisor of the Company or the chief executive waived or agreed to waive any remuneration during the year ended December 31, 2025 (year ended December 31, 2024: nil).

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included three directors or supervisors (year ended December 31, 2024: three directors or supervisors), details of whose remuneration are set out in Note 11 above. Details of the remuneration for the year of the remaining two (year ended December 31, 2024: two) highest paid employees who are neither a director nor a supervisor are as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and other allowances	**986**	694
Discretionary bonuses	**141**	118
Retirement benefits	**140**	52
Equity-settled share-based payments expense	**–**	3,452
Total	**1,267**	4,316

The number of the highest paid employees who are not the directors or supervisors whose remuneration fell within the following bands is as follows:

	For the year ended December 31,	
	2025	2024
	No. of employees	No. of employees
Nil to Hong Kong dollars ("HK$")1,000,000	**2**	–
HK$2,000,001 to HK$2,500,000	**–**	1
HK$2,500,001 to HK$3,000,000	**–**	1
Total	**2**	2

No emoluments were paid by the Group to the directors, supervisors or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for the year ended December 31, 2025 (year ended December 31, 2024: nil).

13. DIVIDENDS

No dividend was paid or declared by the Company and its subsidiaries during the year ended December 31, 2025, nor has any dividend declaration been proposed since the end of the reporting period (year ended December 31, 2024: nil).

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss		
Loss for the year attributable to owners of the Company	**(150,355)**	(168,235)

	For the year ended December 31,	
	2025	2024
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	**199,667**	201,777

The weighted average number of ordinary shares outstanding during the year is the number of shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back during the year multiplied by a time-weighting factor.

15. PROPERTY, PLANT AND EQUIPMENT

	Property RMB'000	Leasehold improvement RMB'000	Machinery RMB'000	Vehicles RMB'000	Office equipment RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At January 1, 2024	216,374	22,847	65,104	2,136	2,452	113,918	422,831
Additions	–	–	2,989	–	760	91,458	95,207
Transfer	8,815	1,257	10,815	–	–	(20,887)	–
Disposals	–	–	–	–	(5)	(247)	(252)
At December 31, 2024	225,189	24,104	78,908	2,136	3,207	184,242	517,786
Additions	92	–	666	266	427	66,767	68,218
Transfer	174,695	847	11,431	–	1,326	(188,299)	–
Disposals	–	–	(3)	(99)	(41)	–	(143)
At December 31, 2025	**399,976**	**24,951**	**91,002**	**2,303**	**4,919**	**62,710**	**585,861**
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At January 1, 2024	(15,613)	(4,220)	(16,804)	(1,086)	(1,203)	–	(38,926)
Provided for the year	(9,770)	(2,766)	(7,899)	(327)	(515)	–	(21,277)
Disposals	–	–	–	–	5	–	5
At December 31, 2024	(25,383)	(6,986)	(24,703)	(1,413)	(1,713)	–	(60,198)
Provided for the year	(14,872)	(2,918)	(7,854)	(183)	(506)	–	(26,333)
Impairment loss recognized in profit or loss	–	–	–	–	–	(5,934)	(5,934)
Disposals	–	–	1	94	41	–	136
At December 31, 2025	**(40,255)**	**(9,904)**	**(32,556)**	**(1,502)**	**(2,178)**	**(5,934)**	**(92,329)**
CARRYING VALUES							
At December 31, 2024	199,806	17,118	54,205	723	1,494	184,242	457,588
At December 31, 2025	**359,721**	**15,047**	**58,446**	**801**	**2,741**	**56,776**	**493,532**

Property, plant and equipment other than construction in progress are depreciated using the straight-line method after taking into account of their estimated residual values with the following useful lives:

Property	10 to 20 years
Leasehold improvement	Shorter of lease terms and 10 years
Machinery	3 to 10 years
Vehicles	4 to 5 years
Office equipment	3 to 5 years

As at December 31, 2025, the cost of the Group's properties of RMB354,089,000 (2024: the cost of the Group's properties of RMB179,695,000 and construction in progress of RMB176,723,000) were pledged to secure bank facility and bank borrowings (Note 25) of the Group.

16. RIGHT-OF-USE ASSETS

	Leasehold lands RMB'000	Leasehold properties RMB'000	Total RMB'000
COST			
At January 1, 2024	97,322	24,719	122,041
Early termination of a lease	–	(377)	(377)
Elimination at the end of a lease	–	(797)	(797)
At December 31, 2024 and 2025	**97,322**	**23,545**	**120,867**
ACCUMULATED DEPRECIATION			
At January 1, 2024	(9,561)	(7,889)	(17,450)
Charge for the year	(2,385)	(2,386)	(4,771)
Early termination of a lease	–	61	61
Elimination at the end of a lease	–	797	797
At December 31, 2024	(11,946)	(9,417)	(21,363)
Charge for the year	(2,384)	(2,355)	(4,739)
At December 31, 2025	**(14,330)**	**(11,772)**	**(26,102)**
CARRYING VALUES			
At December 31, 2024	85,376	14,128	99,504
At December 31, 2025	**82,992**	**11,773**	**94,765**

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	**93**	415
Total cash outflow for leases	**16**	222

Right-of-use assets are depreciated on a straight-line basis over the lease terms.

The Group leases lands and properties to operate its business. These leases are made for fixed terms of 10 to 50 years. Lease terms are negotiated on an individual basis and contain different payment terms and conditions.

The Group's lease agreements do not contain any contingent rent nor any extension, termination or purchase option for lessee. Other than leasehold lands, the lease agreements do not impose any covenants other than the security deposit in the leased properties that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

16. RIGHT-OF-USE ASSETS (CONTINUED)

In determining the lease term and assessing the length of the non-cancelable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, the Group owns buildings where its research and development facilities are primarily located. The Group is the registered owner of these property interests, including the underlying leasehold lands. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably.

The Group regularly entered into short-term leases for properties. As at December 31, 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term leases expense disclosed in Note 10.

As at December 31, 2025, the cost of leasehold land of RMB72,986,000 (December 31, 2024: RMB72,986,000) were pledged to secure bank borrowings (Note 25) and bank facility of the Group.

17. INTANGIBLE ASSETS

	License right RMB'000	Software RMB'000	Software under Development RMB'000	Total RMB'000
COST				
At January 1, 2024	4,476	–	–	4,476
Addition	90	–	4,360	4,450
At December 31, 2024	4,566	–	4,360	8,926
Addition	–	–	409	409
Transfer	–	4,769	(4,769)	–
At December 31, 2025	**4,566**	**4,769**	**–**	**9,335**
AMORTIZATION				
At January 1, 2024	(349)	–	–	(349)
Charge for the year	(248)	–	–	(248)
At December 31, 2024	(597)	–	–	(597)
Charge for the year	(248)	(303)	–	(551)
At December 31, 2025	**(845)**	**(303)**	**–**	**(1,148)**
CARRYING VALUE				
At December 31, 2024	3,969	–	4,360	8,329
At December 31, 2025	**3,721**	**4,466**	**–**	**8,187**

In May 2022, the Company entered into a licensing agreement with an independent third party regarding a non-exclusive license right including intellectual property rights, compounds and products for the clinical trial and future production of the Group's products. Under the terms of the agreement, the total upfront payment was cash consideration of Great Britain Pound ("GBP") 440,000. The Group also agreed to pay the counterparty future clinical development milestone payments, commercialization milestone payments, as well as royalties on manufacturing and sales of the product under the corresponding research and development project using the rights under the licensing agreement.

In January 2024, the Group paid the counterparty clinical development milestone payments of GBP100,000 and the relative tax.

The license right is amortized over 19 years which is based on the terms of the licensing agreement and the estimated duration of product sales, whichever is shorter.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Value added tax recoverable	**8,450**	5,627
Prepayments for purchase of property, plant and equipment	**2,217**	11,815
Prepayments to suppliers and service providers	**5,118**	6,629
Rental deposits	**372**	351
Receivables from immunoassay kits	**371**	–
Others	**1,461**	1,205
Total	**17,989**	25,627
Analyzed as:		
Non-current	**2,589**	12,166
Current	**15,400**	13,461
Total	**17,989**	25,627

19. INVESTMENT IN AN ASSOCIATE

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Cost of investment in an associate	**1,000**	–
Share of post-acquisition loss and other comprehensive expense in an associate	**(5)**	–
	995	–

Details of the Group's associate at the end of the reporting period are as follows:

		Proportion of ownership interest		Voting rights		
Name of company	**Place of establishment**	**31/12/2025 %**	31/12/2024 %	**31/12/2025 %**	31/12/2024 %	**Principal activity**
Beijing Rumeng Biotechnology Co., Ltd. ("Rumeng") (Note)	The PRC	**34.00**	–	**34.00**	–	Technology research and development

Note: During the year, the Group invested RMB1,000,000 in Rumeng. The Group holds 34% ownership interest in the entity, and can exercise significant influence over it because it has the power to appoint a director under the articles of association and hence the investments in this entity were accounted for using the equity method.

20. MATERIALS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Materials for research and development projects	**3,414**	5,390
Immunoassay kits	**235**	345
Total	**3,649**	5,735

21. FINANCIAL ASSETS AT FVTPL

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Financial assets at FVTPL	**323,515**	313,554
Financial assets at FVTPL denominated in:		
RMB	**152,174**	139,314
HK$	**–**	2,882
United States dollars ("US$")	**171,341**	171,358
	323,515	313,554

The Group invested in certain financial products managed by banks and financial institutions which can be redeemed at any time or at maturity within one year. There is no predetermined or guaranteed return for each product. Such financial products are accounted for as financial assets at FVTPL under IFRS 9.

22. BANK BALANCES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Term deposits with original maturity over three months	**56,773**	–
Cash and cash equivalents as stated in the consolidated statement of cash flows	**40,187**	140,126
Bank balances	**96,960**	140,126
Analyzed as:		
Current	**95,946**	140,126
Non-current	**1,014**	–
	96,960	140,126
Bank balances denominated in:		
RMB	**57,565**	95,618
US$	**531**	136
HK$	**38,864**	44,372
	96,960	140,126

Term deposits with original maturity over three months carry interest at market rates from 1.20% to 1.90% per annum as at December 31, 2025.

Cash and cash equivalents comprise cash at banks and term deposits with original maturity of three months or less which are held within banks and carry interest at market rate of 0.001% to 0.20% (December 31, 2024: 0.01% to 3.30%) per annum as at December 31, 2025.

23. ADVANCE PAYMENTS RECEIVED AND OTHER PAYABLES

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Payables for acquisition of property, plant and equipment	**46,041**	48,437
Payables for research and development activities	**25,197**	41,808
Accrued salaries and other allowances	**6,016**	5,091
Payables for intangible assets	**520**	1,327
Other tax payables	**261**	154
Others	**325**	220
	78,360	97,037
Advance payments received and other payables denominated in:		
RMB	**78,014**	94,915
US$	**284**	2,098
HK$	**62**	24
	78,360	97,037

24. LEASE LIABILITY

As at December 31, 2025 and 2024, the Group had one leased property used for research and development.

The exposure of the Group's lease liability is as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Lease liability payable:		
Within one year	**1,598**	–
More than one year, but not exceeding two years	**3,120**	1,507
More than two years, but not exceeding five years	**8,664**	8,494
More than five years	**–**	2,618
	13,382	12,619
Less: Amount due for settlement within 12 months shown under current liabilities	**1,598**	–
Amount due for settlement after 12 months shown under non-current liabilities	**11,784**	12,619

The incremental borrowing rate applied by was 6.05% (December 31, 2024: 6.05%) per annum for lease liability as at December 31, 2025.

The Group does not face a significant liquidity risk with regard to its lease liability. Lease liability is monitored within the Group's treasury function.

25. BANK BORROWINGS

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Bank borrowings:		
Secured	**259,614**	54,914
Carrying amounts repayable:		
Within one year	**37,008**	1,820
Between one to two years	**36,190**	1,813
Between two to five years	**186,416**	51,281
	259,614	54,914
Less: Amounts due within one year shown under current liabilities	**(37,008)**	(1,820)
	222,606	53,094

25. BANK BORROWINGS (CONTINUED)

In January 2024, the Group entered into a bank borrowing agreement with a principal amount of RMB200,000,000 in relation to construction of the research and development and commercial manufacturing facility located in Beijing and will mature in five years from the date of the first withdrawal. The borrowing is guaranteed by the executive directors of the Company, Mr. Kong Jian and his spouse, Ms. Zhang Yanping. The Group also pledged certain leasehold land, property and construction in progress located in Beijing to secure the bank borrowings. The Group withdrew bank borrowings of RMB36,872,000 (2024: RMB54,858,000) in 2025.

In December 2024, the Group entered into another bank borrowing agreement with a principal amount of RMB300,000,000 in relation to construction of the commercial manufacturing facility located in Zhuhai and will mature in five years from the date of the first withdrawal. The borrowing is guaranteed by the executive directors of the Company, Mr. Kong Jian. The Group also pledged certain leasehold land and property located in Zhuhai to secure the bank borrowings. The Group withdrew bank borrowings of RMB141,416,000 in 2025. The borrowing carries interest at a floating interest rate determined as loan prime rate minus 0.15% per annum.

In addition, the Group obtained certain new banking facilities of RMB59,700,000 in 2025 which will mature in one year. All these facilities are guaranteed by Mr. Kong Jian, an executive director of the Company, and/or his spouse, Ms. Zhang Yanping. The Group withdrew bank borrowings of RMB26,231,000 in 2025.

Save as set out above, the Group had available undrawn credit facilities of RMB100,000,000 from other licensed banks as at December 31, 2025.

The exposure of the Group's bank borrowings are as follows:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Bank borrowings:		
Fixed-rate borrowings	**118,072**	54,914
Variable-rate borrowings	**141,542**	–
	259,614	54,914

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Effective interest rate:		
Fixed-rate borrowings	**2.15%-3.50%**	3.15%-3.50%
Variable-rate borrowings	**2.85%-2.95%**	N/A

26. DEFERRED GOVERNMENT GRANTS

Movements of deferred government grants

	Deferred government grants related to			
	Plant and machinery RMB'000	Right-of-use assets RMB'000	Research and development activities RMB'000	Total RMB'000
At January 1, 2024	21,593	6,674	9,400	37,667
Government grants received	–	–	–	–
Reallocation (Note)	9,400	–	(9,400)	–
Release of deferred government grants to profit or loss	(2,695)	(2,670)	–	(5,365)
At December 31, 2024	28,298	4,004	–	32,302
Government grants received	–	–	2,000	2,000
Release of deferred government grants to profit or loss	(3,015)	(2,670)	(500)	(6,185)
At December 31, 2025	**25,283**	**1,334**	**1,500**	**28,117**

Government grants include subsidies from local PRC governments which are specifically for (i) compensations of the capital expenditure incurred for purchase of plant and machinery and right-of-use assets, which are recognized over the useful life of the related assets and (ii) the research and development activities, which are recognized upon compliance with the attached conditions.

Note: In August 2024, Luzhu Biopharmaceuticals (Zhuhai) Co., Ltd.* (綠竹生物製藥(珠海市)有限公司) ("Zhuhai Luzhu") reallocated the classification of deferred government grants of RMB9,400,000 from research and development activities to plant and machinery as permitted pursuant to relevant government subsidy agreement. The related grants amortize along with the useful lives of properties.

* English name is for identification purpose only.

27. SHARE CAPITAL/TREASURY SHARES

Share capital

	Number of shares	Share capital
	'000	RMB'000
Issued and fully paid		
As at January 1, 2024, December 31, 2024 and 2025	202,450	202,450

Treasury shares

During the year, the Company repurchased its own ordinary shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares	Price per share		Aggregate consideration paid
		Highest	Lowest	
		HK$	HK$	RMB'000
May 2025	1,759,200	23.00	21.95	36,890
July 2025	316,600	22.50	20.70	6,227

During the year ended December 31, 2025, the Company repurchased 2,075,800 of its own ordinary shares (2024: 1,460,000) through the Stock Exchange with an aggregate consideration of RMB43,117,000 paid (2024: RMB32,305,000). All repurchased 3,535,800 (2024: 1,460,000) shares were maintained as treasury shares at the end of the reporting period.

28. RETIREMENT BENEFITS PLAN

The PRC employees of the Group are members of a state-managed retirement benefits plan operated by the government of the PRC. The Company and its PRC subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefits plan to fund the employee benefits. The only obligation of the Group with respect to the retirement benefits plan is to make the specified contributions. The retirement benefits cost charged to profit or loss for the year ended December 31, 2025 amounted to RMB3,791,000 (year ended December 31, 2024: RMB2,994,000).

At December 31, 2025 and 2024, the Group had no forfeited contributions under the above retirement benefit scheme which may be used by the Group to reduce the existing level of contributions. There were also no forfeited contributions available at December 31, 2025 and 2024 under such scheme which may be used by the Group to reduce the contribution payable in future years.

29. SHARE-BASED PAYMENT TRANSACTIONS

(a) 2022 Restricted Shares

Zhuhai Hengqin Luzhu Enterprise Management Partnership (LP)* (珠海橫琴綠竹企業管理合夥企業(有限合夥)) ("Hengqin Luzhu LP") was established in the PRC as a limited partnership in January 2021 as an employee incentive platform of the Group and is controlled by Mr. Kong Jian, the sole general partner of Hengqin Luzhu LP.

In April 2022, Zhuhai Luzhu Kangrui Enterprise Management Partnership (LP)* (珠海綠竹康瑞企業管理合夥企業(有限合夥)) ("Zhuhai Luzhu Kangrui") and Beijing Luzhu Kangrui Enterprise Management Partnership (LP)* (北京綠竹康瑞企業管理合夥企業(有限合夥)) ("Beijing Luzhu Kangrui") were established in the PRC as employee incentive platforms of the Group through an award of Hengqin Luzhu LP's shares.

* English name is for identification purpose only.

In April 2022, an employee incentive scheme was implemented to incentive certain eligible employees of the Group to retain them for the continual operation and development of the Group or to replace certain outstanding share options. Restricted shares representing 8,110,132 ordinary shares of par value of RMB1 each in the share capital of the Company (the "**RSs**") were granted to certain eligible employees (the "**2022 Restricted Shares**"). Including (i) an aggregate of 7,450,000 restricted shares of Zhuhai Luzhu Kangrui and Beijing Luzhu Kangrui were granted, representing 7,450,000 ordinary shares of par value of RMB1 each in the share capital of the Company with the price of RMB2.54, RMB5.09 or RMB7.19 each RS; (ii) 1,942,320 restricted shares of Hengqin Luzhu LP were granted representing 660,132 ordinary shares of par value of RMB1 each in the share capital of the Company with the price of RMB2.94 each RS. Included in 8,110,132 RSs, 3,875,000 RSs were granted to replace the Options Canceled or Replaced in 2022 and the remaining 4,235,132 RSs were newly granted.

The consideration was fully settled in May 2022. The vesting of the RSs granted is conditional upon the fulfillment of requisite service conditions until end of the lock up period required by the securities and futures commission or the Stock Exchange after the completion of a qualified IPO. The employees have to transfer out their RSs to the person or entity designated by Mr. Kong Jian, the general partner of Hengqin Luzhu LP, at the original grant price, if their employments with the Group were terminated within the vesting period.

The following table discloses movements of the 2022 Restricted Shares.

Category	Outstanding as at January 1, 2024	Grant during the year	Forfeited due to resignation during the year	Vested during the year	Outstanding as at December 31, 2024
2022 Restricted Shares	8,110,132	–	–	(8,110,132)	–

The fair value of 2022 Restricted Shares at the grant date was determined with reference to the issue price of the series c financing or the market price of the Company's shares at the relevant grant dates after deducting the purchase price. The amount previously recognized in share-based payments reserve of RMB102,717,000 in relation to the 2022 Restricted Shares and the outstanding share options replaced by 2022 Restricted Shares was transferred to share premium.

29. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

(b) Controlling Shareholders Restricted Shares

On June 18, 2022, Mr. Kong Jian and Ms. Zhang Yanping were granted 350,000 and 10,000,000 restricted shares of Hengqin Luzhu LP representing 118,952 and 3,398,680 ordinary shares of par value of RMB1 each in the share capital of the Company, respectively, with the price of RMB1.00 each restricted share (the "Controlling Shareholders Restricted Shares").

The consideration was fully settled as at December 31, 2022 and the vesting of the restricted shares granted is conditional upon the fulfillment of requisite service conditions until end of the lock up period required by the securities and futures commission or the Stock Exchange after the completion of a qualified IPO. The grantees have to transfer out their restricted shares at the original grant price, if their employments with the Group were terminated within the vesting period.

The following table discloses movements of the Controlling Shareholders Restricted Shares.

Category	Outstanding as at January 1, 2024	Grant during the year	Forfeited due to resignation during the year	Vested during the year	Outstanding as at December 31, 2024
Controlling Shareholders Restricted Shares	3,517,632	–	–	(3,517,632)	–

The fair value of Controlling Shareholders Restricted Shares at the grant date was determined with reference to the issue price of the series c financing agreement after deducting the purchase price. The amount previously recognized in share-based payments reserve of RMB70,556,000 in relation to the Controlling Shareholders Restricted Shares was transferred to share premium.

The share-based payment expenses of the Group recognized for the year ended December 31, 2025 are as follows:

	For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
2022 Restricted Shares	**–**	20,331
Controlling Shareholders Restricted Shares	**–**	13,172
Total	**–**	33,503

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Financial assets		
Amortized costs	**99,139**	141,659
Financial assets at FVTPL	**323,515**	313,554
	422,654	455,213
Financial liabilities		
Amortized cost	**331,697**	146,706

Financial risk management objectives and policies

The Group's major financial instruments include deposits and other receivables, bank balances, financial assets at FVTPL, other payables and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

As at the end of the reporting period, the Group had the following monetary assets and monetary liabilities denominated in currencies other than RMB.

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
HK$		
– Bank balances	**38,864**	44,372
– Financial assets at FVTPL	**–**	2,882
– Other payables	**(62)**	(24)
US$		
– Bank balances	**531**	136
– Financial assets at FVTPL	**171,341**	171,358
– Other payables	**(284)**	(2,098)

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

The Group was primarily subject to foreign currency risk from the movement of the exchange rates between RMB against HK$ and US$. At the end of each reporting period, if the exchange rate of RMB had been weaken against HK$ or US$ by 5% and all other variables were held constant, the Group's post-tax loss would decrease as follows. For a 5% strengthening of RMB against HK$ or US$, there would be an opposite impact on the post-tax loss for the year.

	Decrease in post-tax loss For the year ended December 31,	
	2025	2024
	RMB'000	RMB'000
HK$	**1,940**	2,362
US$	**8,579**	8,470

(ii) Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate term deposits (Note 22), lease liability (Note 24) and bank borrowings (Note 25). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 22) and bank borrowings (Note 25) which carry prevailing market interests.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable interest rate bank borrowings. Bank balances are excluded from the sensitivity analysis since they are not considered sensitive to fluctuation in interest rate. The analysis is prepared assuming the variable interest rate bank borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points increase or decrease represented management's assessment of the reasonably possible change in interest rates.

Sensitivity analysis

At the end of reporting period, if interest rates had been increased/decreased by 50 basis points and all other variables were held constant, the Group's post-tax loss would have increased/decreased by RMB708,000 for the current year.

(iii) Other price risk

The Group is exposed to other price risk through investments in financial products measured at FVTPL.

The management of the Group considers the fluctuation in fair value changes on financial products is insignificant, taking into account the short-term duration of such financial products.

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position (including bank balances, financial assets at FVTPL, deposits and other receivables). The Group does not hold any collaterals or other credit enhancement to cover its credit risks associated with its financial assets.

In order to minimize the credit risk, the Group monitors the exposure to credit risk on an on-going basis. Except for financial assets at FVTPL, the Group individually assessed the expected credit losses on its financial assets measured at amortized cost, mainly including bank balances, deposits and other receivables, on the basis of a loss rate approach at the end of each reporting period. The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle the amounts in full	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external sources	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Bank balances

The Group's bank balances are placed with state-owned banks or commercial banks with high credit ratings in the Mainland China and Hong Kong. Therefore, the credit risk on bank balances is insignificant and no loss allowance was recognized.

Approximately 26.84% and 11.93% of total bank balances were deposited in bank A and bank B as at December 31, 2025 (December 31, 2024: 23.07%, 21.58% and 11.02% of the Group's bank balances placed with bank C, bank D and bank A respectively).

Deposits and other receivables

The main counterparties of the Group's deposits and other receivables are subsidiaries of local government. The Group assessed the ECL for its deposits and other receivables individually based on internal credit rating which, in the opinion of the Directors, has no significant increase in credit risk since initial recognition. No loss allowance was made for deposits and other receivables. The estimated loss rates are limited as the historical observed default rates of counterparties above are minimal, and therefore the Group assessed the ECL for deposits and other receivables as insignificant.

Other than the concentration of credit risks of bank balances mentioned above, the Group does not have any other significant concentration of credit risk.

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on shareholders' investment and bank borrowing as a significant source of liquidity.

30. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Interest rates %	Within 180 days RMB'000	181 days to 365 days RMB'000	1-5 years RMB'000	>5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At December 31, 2025							
Bank borrowings	2.15-3.50	9,189	28,554	243,362	–	281,105	259,614
Other payables	N/A	72,083	–	–	–	72,083	72,083
		81,272	28,554	243,362	–	353,188	331,697
Lease liability	6.05	–	1,666	14,006	–	15,672	13,382

	Interest rates %	Within 180 days RMB'000	181 days to 365 days RMB'000	1-5 years RMB'000	>5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
At December 31, 2024							
Bank borrowing	3.15-3.50	744	1,110	59,672	–	61,526	54,914
Other payables	N/A	91,792	–	–	–	91,792	91,792
		92,536	1,110	59,672	–	153,318	146,706
Lease liability	6.05	–	–	12,066	3,606	15,672	12,619

31. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group determines the appropriate valuation techniques and inputs for fair value measurements.

Except for financial assets at FVTPL as set out below, there is no financial instrument measured at fair value on a recurring basis.

Financial assets

	NOTE	Fair value as at December 31, 2025 RMB'000	Fair value as at December 31, 2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs
Financial assets at FVTPL	*21*	**323,515**	313,554	Level 2	Redemption value quoted by financial institutions.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated statement of financial position of the Group approximate their respective fair values.

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings RMB'000	Lease liability RMB'000	Total RMB'000
At January 1, 2024	7,000	12,216	19,216
Financing cash flows	47,194	–	47,194
Early termination of a lease	–	(321)	(321)
Interest expenses recognized	720	724	1,444
At December 31, 2024	54,914	12,619	67,533
Financing cash flows	198,418	–	198,418
Interest expenses recognized	6,282	763	7,045
At December 31, 2025	**259,614**	**13,382**	**272,996**

33. MAJOR NON-CASH TRANSACTIONS

During the year ended December 31, 2024, the Group entered into a supplementary agreement with the lessor to terminate a lease and derecognized right-of-use assets and lease liabilities of RMB316,000 and RMB321,000 respectively.

34. RELATED PARTY BALANCES AND TRANSACTIONS

a. Compensation of key management personnel

The emoluments of key management during the year are as follows:

	For the year ended December 31,	
	2025 RMB'000	2024 RMB'000
Short-term employee benefits	**5,344**	5,131
Retirement benefits	**356**	277
Equity-settled share-based payments	**–**	22,223
	5,700	27,631

b. Guarantee provided by related parties

As disclosed in Note 25, the bank borrowings outstanding as at December 31, 2025 were guaranteed by the executive directors of the Company, Mr. Kong Jian and/or his spouse, Ms. Zhang Yanping.

35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Name of the subsidiaries	Place of incorporation	Paid up issued/ registered capital	Equity interest attributable to the Company		Principal activities
			December 31, 2025	December 31, 2024	
Zhuhai Luzhu	PRC	Registered capital of RMB200,000,000 and paid-in capital of RMB200,000,000	100%	100%	research, development and production of vaccines and therapeutic biologics
Luzhu Biologics (Hong Kong) Co., Limited	Hong Kong	Registered capital of HK$100,000 and paid-in capital HK$100,000	100%	100%	inactive
Beijing Luzhu	PRC	Registered capital of RMB200,000,000 and paid-in capital of RMB200,000,000	100%	100%	research, development and production of vaccines and therapeutic biologics

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the lease liability, and bank borrowings as disclosed in Notes 24 and 25, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through new share issues as well as the issue of new debts.

37. CAPITAL COMMITMENTS

	As at December 31,	
	2025 RMB'000	2024 RMB'000
Capital expenditure in respect of the acquisition of equipment and machineries and construction projects contracted for but not provided in the consolidated financial statements	8,561	38,304

38. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

Information about the financial position of the Company at the end of the reporting period includes:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**5,749**	6,943
Right-of-use assets	**16,405**	16,975
Intangible assets	**3,722**	3,970
Investments in subsidiaries	**458,794**	408,794
Prepayments, deposits and other receivables	**211,747**	167,579
Bank balances	**1,014**	–
	697,431	604,261
CURRENT ASSETS		
Materials	**1,568**	2,054
Prepayments, deposits and other receivables	**5,942**	179,765
Financial assets at FVTPL	**140,396**	138,996
Bank balances	**94,772**	139,700
Trade receivables from a subsidiary	**36,071**	–
	278,749	460,515
CURRENT LIABILITIES		
Advance payments received and other payables	**27,007**	41,003
Deferred government grants	**1,500**	–
	28,507	41,003
NET CURRENT ASSETS	**250,242**	419,512
NET ASSETS	**947,673**	1,023,773
CAPITAL AND RESERVES		
Share capital	**202,450**	202,450
Reserves	**745,223**	821,323
TOTAL EQUITY	**947,673**	1,023,773

38. STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Movements in the Company's reserves

	Share premium RMB'000	Treasury shares RMB'000	Share-based payments reserve RMB'000	Accumulated loss RMB'000	Total RMB'000
At January 1, 2024	2,448,245	–	139,770	(1,666,202)	921,813
Loss and total comprehensive expense for the year	–	–	–	(101,688)	(101,688)
Recognition of equity- settled share-based payments	–	–	33,503	–	33,503
Vesting of shares granted	173,273	–	(173,273)	–	–
Repurchase of shares	–	(32,305)	–	–	(32,305)
At December 31, 2024	2,621,518	(32,305)	–	(1,767,890)	821,323
Loss and total comprehensive expense for the year	–	–	–	(32,983)	(32,983)
Repurchase of shares	–	(43,117)	–	–	(43,117)
At December 31, 2025	2,621,518	(75,422)	–	(1,800,873)	745,223

Financial Summary

	For the year ended December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other income	**11,031**	21,387	20,085	13,923	6,896
Other expenses	**(1,554)**	(745)	(603)	(3,137)	(9,041)
Other gains and losses, net	**(4,221)**	11,818	18,167	15,100	10,794
Fair value loss of financial liabilities at fair value through profit or loss ("**FVTPL**")	**–**	–	–	(551,546)	(441,077)
Administrative expenses	**(51,790)**	(64,795)	(87,011)	(85,830)	(60,217)
Research and development expenses	**(96,475)**	(135,134)	(172,685)	(91,426)	(42,983)
Finance costs	**(6,583)**	(766)	(844)	(722)	(603)
Listing expenses	**–**	–	(26,459)	(21,542)	(3,126)
Selling and distribution expenses	**(758)**	–	–	–	–
Share of loss of an associate	**(5)**	–	–	–	–
Loss before tax	**(150,355)**	(168,235)	(249,350)	(725,180)	(539,357)
Income tax expense	**–**	–	–	–	–
Loss and total comprehensive expense for the year	**(150,355)**	(168,235)	(249,350)	(725,180)	(539,357)
Loss per share	**RMB**	RMB	RMB	RMB	RMB
– Basic	**(0.75)**	(0.83)	(1.25)	(4.98)	(5.94)
– Diluted	**(0.75)**	(0.83)	(1.25)	(4.98)	(5.94)

	As of December 31,				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets	**601,082**	577,587	545,722	469,166	151,602
Current assets	**438,510**	472,876	620,972	601,004	574,293
Total assets	**1,039,592**	1,050,463	1,166,694	1,070,170	725,895
Liabilities					
Non-current liabilities	**261,007**	98,015	49,754	38,590	1,286,998
Current liabilities	**118,466**	98,857	96,312	94,114	23,422
Total liabilities	**379,473**	196,872	146,066	132,704	1,310,420
Total equity	**660,119**	853,591	1,020,628	937,466	(584,525)

Definitions

In this report, unless the context otherwise requires, the following expressions shall have the following meanings.

"Actual Controller"	the individual or entity that can control the behavior of a company by way of investment, contract or other arrangements according to the Listing Rules of the Shenzhen Stock Exchange《深圳證券交易所股票上市規則》published and as amended from time to time by the Shenzhen Stock Exchange, where Beijing Science Sun is listed
"AGM"	annual general meeting of the Company
"Articles of Association"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Beijing Luzhu"	Luzhu Biologics (Beijing) Co., Limited (綠竹生物製品(北京)有限公司), a company established in the PRC with limited liability on March 31, 2022, and a direct wholly-owned subsidiary of the Company
"Beijing Science Sun"	Beijing Science Sun Pharmaceutical Co., Ltd. (北京賽升藥業股份有限公司), a joint stock company established in the PRC on May 20, 1999 and listed on the ChiNext board of the Shenzhen Stock Exchange (stock code: 300485), and together with Beijing Yizhuang and Beijing Yizhuang II are regarded as a group of substantial Shareholders
"Beijing Yizhuang"	Biological Medicine Investment Center (Limited Partnership) (北京亦莊生物醫藥併購投資中心(有限合夥)), one of the pre-IPO investors of the Company, and together with Beijing Science Sun and Beijing Yizhuang II are regarded as a group of substantial Shareholders
"Beijing Yizhuang II"	Beijing Yizhuang II Biological Medical Industry Investment Fund (Limited Partnership) (北京亦莊二期生物醫藥產業投資基金(有限合夥)), one of the pre-IPO investors of the Company, and together with Beijing Science Sun and Beijing Yizhuang are regarded as a group of substantial Shareholders
"BLA"	biologics license application
"Board" or "Board of Directors"	the board of directors of the Company
"CDC"	center for Disease Control and Prevention (疾病預防控制中心)
"China", "Mainland China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this report, Hong Kong, Macau Special Administration Region and Taiwan

"Company", "the Company", or "Luzhu Biotechnology"	Beijing Luzhu Biotechnology Co., Ltd. (北京綠竹生物技術股份有限公司), a joint stock company established in the PRC with limited liability on July 19, 2013, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2480)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and, in the context of this report, refers to Mr. KONG, Ms. ZHANG and Hengqin Luzhu LP
"Core Product"	has the meaning ascribed to it in Chapter 18A of the Listing Rules and in this context, the Core Product refers to LZ901
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CRO"	contract research organization
"CSRC"	China Securities Regulatory Commission
"Deed of Non-competition"	the deed of non-competition dated March 30, 2023 entered into by the Controlling Shareholders in favor of the Company
"Director(s)"	the director(s) of the Company
"E-town Sun"	Beijing E-town Sun Fund Management Co., Ltd. (北京屹唐賽盈基金管理有限公司), a company established in the PRC with limited liability on May 25, 2016
"FDA"	U.S. Food and Drug Administration, the U.S. federal agency responsible for regulating food and drugs
"Full Circulation"	the conversion of the Unlisted Shares into H Shares and their listing on the Stock Exchange, of which the Company received the Filing Notice from the CSRC and was completed on January 29, 2024
"Global Offering"	the global offering of H Shares as described in the Prospectus
"GMP"	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion, and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use

"Group"	the Company and its subsidiaries
"Hengqin Luzhu LP"	Zhuhai Hengqin Luzhu Enterprise Management Partnership (LP) (珠海橫琴綠竹企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on January 14, 2021, and an employee incentive platform of the Group
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Luzhu"	Luzhu Biologics (Hong Kong) Co., Limited (綠竹生物製品(香港)有限公司), a company incorporated in Hong Kong with limited liability on December 20, 2021, and a direct wholly-owned subsidiary of the Company
"HSV-1"	herpes simplex virus type 1
"HSV-2"	herpes simplex virus type 2
"H Share(s)"	ordinary share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each and listed on the Main Board of the Stock Exchange
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"K3"	the anti-human tumor necrosis factor ("**TNF**")-α monoclonal antibody injection product candidate
"Listing" or "IPO"	the listing of the H Shares on the Main Board of the Stock Exchange on May 8, 2023
"Listing Date"	May 8, 2023, being the date on which the H Shares were listed on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"LRTD"	lower respiratory tract disease
"LZ901"	the recombinant herpes zoster vaccine candidate, a herpes zoster vaccine with a tetrameric molecular structure and the Core Product
"Main Board"	the Main Board of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules

"Mr. KONG"	Mr. KONG Jian (孔健), the executive Director, general manager, chairman of the Board, one of the promoters and one of the Controlling Shareholders
"Ms. ZHANG"	Ms. ZHANG Yanping (張琰平), the executive Director, one of the promoters and one of the Controlling Shareholders
"NMPA"	the National Medical Products Administration of the People's Republic of China
"Nomination Committee"	the nomination committee of the Board
"Prospectus"	the prospectus issued by the Company dated April 25, 2023
"R&D"	research and development
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	Renminbi Yuan, the lawful currency of China
"Reporting Period"	the twelve-month period from January 1, 2025 to December 31, 2025
"RSV"	respiratory syncytial virus
"Saide Ruibo"	Tianjin Saide Ruibo Asset Management Center (Limited Partnership) (天津賽德瑞博資產管理中心), a limited liability partnership established in the PRC on December 1, 2015, with Mr. MA Jianan (馬嘉楠) (the son of Mr. MA Biao) as its general partner holding approximately 80.00% partnership interest, and Ms. MA Li (馬麗) (the sister of Mr. MA Biao) as its limited partner holding approximately 20.00% partnership interest to the best knowledge of the Company, and is a connected person of the Company
"Saiding Fangde"	Tianjin Saiding Fangde Asset Management Center (Limited Partnership) (天津賽鼎方德資產管理中心), a limited liability partnership established in the PRC on December 1, 2015, with (i) Mr. MA Biao (馬驫) as its general partner holding approximately 60.00% partnership interest; and (ii) Mr. WANG Xuefeng (王雪峰), Mr. MA Jianan (馬嘉楠) (the son of Mr. MA Biao) and Ms. MA Li (馬麗) (the sister of Mr. MA Biao) as its limited partners, holding approximately 10.00%, 10.00% and 20.00% partnership interest, respectively, to the best knowledge of the Company, and is a connected person of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares

"Shareholder(s)"	holder(s) of Shares
"sq.m."	square meter(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)	member(s) of the Supervisory Board
"Supervisory Board"	the board of supervisors of the Company
"U.K."	the United Kingdom
"Unlisted Share(s)"	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi and are unlisted Shares not currently listed or traded on any stock exchange
"U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"USD"	United States dollars, the lawful currency of the U.S.
"VZV"	varicella-zoster virus
"Zhuhai Luzhu"	Luzhu Biopharmaceuticals (Zhuhai) Co., Ltd. (綠竹生物製藥(珠海市)有限公司), a company established in the PRC with limited liability on November 29, 2018, and a direct wholly-owned subsidiary of the Company
"%"	percent

In this report, capitalized terms used shall have the same meanings as those defined in the Prospectus, and the terms "associate", "close associate", "connected person", "core connected person", "connected transaction", "subsidiaries" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this report have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.