Innovent

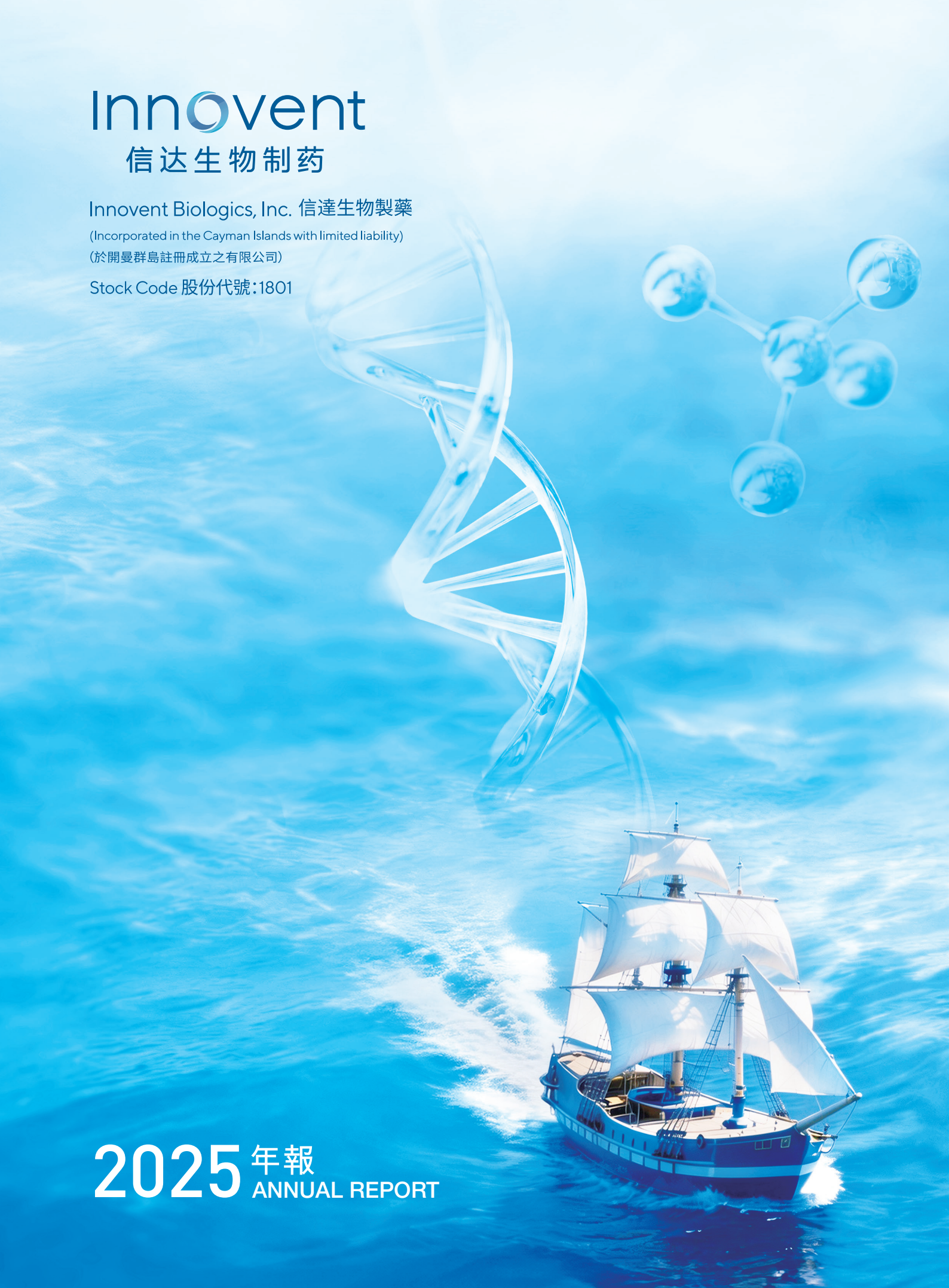
信达生物制药

Innovent Biologics, Inc. 信達生物製藥

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：1801



2025 年報 ANNUAL REPORT

Contents

Company Profile

Overview

Innovent is a leading biopharmaceutical company founded in 2011 with the mission to empower patients worldwide with affordable, high-quality biopharmaceuticals. Leveraging an established, fully integrated platform, the Company discovers, develops, manufactures and commercializes innovative medicines that treat some of the most intractable diseases. Its pioneering therapies address cancer, CVM, autoimmune and eye diseases, supported by a robust pipeline spanning multiple novel modalities, including monoclonal antibodies, multi-specific antibodies, immuno-cytokines, ADCs, cell therapy and small molecules.

Guided by the motto, "Start with Integrity, Succeed through Action", the Company maintains the highest standard of industry practices and works collaboratively to advance the biopharmaceutical industry so that first-rate pharmaceutical drugs can become widely accessible.

Pipeline Summary

Leveraging on the Company's fully-integrated multi-functional platform and strategic partnerships and collaborations, the Company develops pioneering therapies to treat cancer, CVM, autoimmune and eye diseases. We have launched 18 products in the market. These include: TYVYT® (sintilimab injection), BYVASDA® (bevacizumab injection), SULINNO® (adalimumab injection), HALPRYZA® (rituximab Injection), PEMAZYRE® (pemigatinib), Olverembatinib, Cyramza® (ramucirumab injection), Retsevmo® (selpercatinib), FUCASO® (equecabtagene autoleucel), SINTBILO® (tafolecimab injection), DUPERT® (fulzerasib), DOVBLERON® (taletrectinib adipate), Jaypirca® (pirtobrutinib), Limertinib, SYCUME® (teprotumumab N01 injection), Mazdutide, PECONDLE® (picankibart injection) and TABOSUN® (Ipilimumab N01 injection). In addition, we have five assets in Phase 3 or pivotal clinical trials and 14 molecules in early clinical stage.

Corporate Information

Board of Directors

Executive Directors

Dr. De-Chao Michael Yu *(Chairman of the Board and Chief Executive Officer)*
Mr. Ronald Hao Xi Ede
Ms. Qian Zhang

Independent Non-Executive Directors

Dr. Charles Leland Cooney
Ms. Joyce I-Yin Hsu
Mr. Gary Zieziula
Dr. Shun Lu
Mr. Shuyun Chen *(Lead Independent Non-executive Director)*
Dr. Stephen A. Sherwin *(appointed on 26 August 2025)*

Audit Committee

Ms. Joyce I-Yin Hsu *(Chairwoman)*
Dr. Charles Leland Cooney
Mr. Gary Zieziula
Mr. Shuyun Chen

Remuneration Committee

Ms. Joyce I-Yin Hsu *(Chairwoman)*
Mr. Gary Zieziula
Mr. Shuyun Chen

Nomination Committee

Mr. Shuyun Chen *(Chairman)*
Dr. De-Chao Michael Yu
Dr. Charles Leland Cooney
Ms. Joyce I-Yin Hsu *(appointed on 31 March 2025)*

Strategy Committee

Dr. De-Chao Michael Yu *(Chairman)*
Mr. Ronald Hao Xi Ede
Ms. Qian Zhang
Dr. Charles Leland Cooney
Mr. Gary Zieziula
Dr. Shun Lu
Mr. Shuyun Chen
Dr. Stephen A. Sherwin *(appointed on 26 August 2025)*

Joint Company Secretaries

Ms. Yanju Wang
Ms. Lok Yee Chan *(ACG/HKACG)*

Authorised Representatives

Mr. Ronald Hao Xi Ede
Ms. Lok Yee Chan *(ACG/HKACG)*

Auditor

Deloitte Touche Tohmatsu
Registered Public Interests Entity Auditors
35/F, One Pacific Place
88 Queensway Admiralty
Hong Kong

Registered Office

Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Head Office and Principal Place of Business in China

168 Dongping Street
Suzhou Industrial Park
China 215123

Principal Place of Business in Hong Kong

Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Corporate Information

Legal Advisors

As to Hong Kong law and United States law
Skadden, Arps, Slate, Meagher & Flom and affiliate
42/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
Han Kun Law Offices
33/F, HKRI Centre Two
HKRI Taikoo Hui
288 Shimen Road (No. 1)
Shanghai 200041
PRC

As to Cayman Islands law
Maples and Calder (Hong Kong) LLP
53rd Floor, The Center
99 Queen's Road Central
Hong Kong

Principal Share Registrar

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall
Cricket Square
KY1-1102
Cayman Islands

Hong Kong Share Registrar

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

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4-4A Des Voeux Road
Central
Hong Kong

China Construction Bank
Suzhou Industrial Park Subbranch
CSSD Building, No. 158 Wangdun Road
Suzhou Industrial Park
215028 China

Stock Code

1801

Company Website

www.innoventbio.com

Chairman's Statement

Dear Shareholders,

Thank you for your continued trust and support in Innovent.

2025 was the watershed year in our 14-year history. We achieved historic breakthroughs across business scale, financial strength and global innovation. We have successfully evolved into a "dual-engine" powerhouse, balancing our oncology leadership with a growing general biomedicine franchise. Importantly, we delivered our first full year of profitability, stepping into an era of sustainable earnings. The advancement of three assets into or ready for global Phase 3 clinical trials, combined with our major strategic partnerships, has not only unlocked substantial future value but also enhanced the certainty of our growth. I am proud to say that we have successfully delivered our 2020-2025 goal: to become a self-sustaining, leading biopharma in China. More importantly, we have laid a solid foundation for our next five-year 2026-2030 goal: to become a truly global premier biopharmaceutical company.

Revenue Surpassed RMB10 Billion and First Full Year of Profitability

In 2025, total revenue reached RMB13.0 billion, up 38% YoY, while product revenue grew 45% YoY to RMB11.9 billion. Achieving the RMB10 billion revenue milestone in just seven years after our first product launch set a new speed record for China's biopharma industry. Even more significantly, we turned profitable for the first full year: IFRS net profit was RMB814 million, and non-IFRS net profit surged to RMB1.72 billion. Non-IFRS EBITDA also expanded to RMB2.0 billion. This structural inflection in profitability was driven by rapid revenue growth, economies of scale and lean operations. As of December 31, 2025, we held approximately US$3.5 billion in cash reserves – a solid position to fuel our next stage of global expansion.

Dual-Engine Momentum: Oncology Leadership & General Biomedicine as a New Growth Pillar

Our commercial portfolio now includes 18 approved products. In oncology, we have solidified our position as a leading brand in China and rank No.1 in several categories including TYVYT® (sintilimab injection). Five targeted small-molecule oncology drugs were newly listed in the NRDL, further strengthening our franchise. At the same time, our next-generation IO and ADC assets – IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$), IBI343 (CLDN18.2 ADC) and IBI354 (HER2 ADC) – are advancing into registrational studies, poised to address major unmet needs in lung cancer, GI cancers, breast cancer and beyond.

Equally exciting, our general biomedicine franchise has rapidly become a second growth engine. Flagship products – SYCUME® (IGF-1R), Mazdutide (the world's first approved GCG/GLP-1 dual agonist) and SINTBILO® (PCSK9) – all demonstrated strong launch momentum. PECONDLE® (IL-23p19) was approved in late 2025 for psoriasis. In less than a year, general biomedicine has emerged as a powerful driver of our high-speed growth.

Global Innovation: Unlocking Pipeline Value and Forging Diversified Partnerships

2025 was our inaugural year of globalization. We advanced three high-potential assets into or towards global MRCT Phase 3 trials: IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$) as a next-generation IO backbone, IBI343 (CLDN18.2 ADC) as a GI cornerstone asset, and IBI324 (VEGF/ANG2) as a potential best-in-class ophthalmology therapy. According to our partners' estimates, the combined total addressable market for these three assets exceeds US$60 billion. Their continued progress will unlock substantial value for the Company and, in the coming years, bring our innovations to patients worldwide.

Chairman's Statement

In 2025, we entered into a series of landmark global collaborations. The co-development and co-commercialization with Takeda for IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$) will help us build global R&D and commercial capabilities. Our seventh collaboration with Eli Lilly focuses on co-creating novel oncology and immunology molecules. The out-licensing of IBI3009 (DLL3 ADC) to Roche and the partnership with Ollin Therapeutics for IBI324 further accelerate global development. The total value of these deals exceeded US$20 billion, with upfront payments of over US$1.6 billion – accounting for more than 10% of China's innovative drug out-licensing deal value in 2025. These partnerships not only provide substantial financial returns but, more importantly, help us build the core capabilities to become a truly global biopharma.

Manufacturing, ESG and Social Responsibility

We continue to uphold the highest manufacturing standards. Our Suzhou facility operates 60,000L antibody capacity and ADC production lines, and our Hangzhou site has 80,000L of built antibody capacity (with a second phase of 90,000L planned). In ESG, we maintained our MSCI AAA rating for two consecutive years, leading the industry. Over 3,000 new cancer patients benefited from Innovent therapies daily; more than 6 million patients have benefited to date. Our patient assistance programs have now supported over 200,000 patients, with drug donations totaling RMB3.6 billion. We also employ more than 8,000 people worldwide and have cumulatively paid over RMB6 billion in taxes.

Outlook: Vision 2030 – From China Leadership to Global Premier

Entering our 15th year in 2026, we are confident in our Vision 2030: to become a global premier biopharmaceutical company. We will focus on four strategic pillars: (1) **Revenue** – achieving our RMB20 billion target by 2027 with continued expansion thereafter. International revenue will become a new growth driver in the future; (2) **Profitability** – elevating margins to top-tier pharma levels through scale, efficiency and AI-enabled operations; (3) **Innovation** – having at least five molecules in global MRCT Phase 3 by 2030; and (4) **Organization** – building end-to-end global capabilities in R&D, commercialization and supply chain, leveraging both internal expansion and strategic partnerships.

In 2026, we will continue to consolidate our commercial leadership in China while sprinting forward on global innovation. We will prioritize the global development and PoC maturation of IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$), IBI343 (CLDN18.2 ADC) and IBI324 (VEGF/ANG2), and deliver Phase 1/PoC data for next-generation assets such as IBI3003 (GPRC5D/BCMA/CD3), IBI3001 (EGFR/B7H3 ADC), IBI3012 (PD-L1/TROP2 ADC), IBI3032 (oral daily GLP-1 small molecule), IBI3042 (oral weekly GLP-1 small molecule) and novel dual-payload ADCs and autoimmune molecules.

I extend my heartfelt gratitude to our Shareholders for your unwavering support. With a solid commercial base, a rich and validated pipeline, and a clear global roadmap, Innovent is more grounded than ever – yet increasingly confident. Together, we will build a global premier biopharmaceutical company and create sustainable value for patients, employees, shareholders and society.

De-Chao Michael Yu
Chairman of the Board, Executive Director and Chief Executive Officer of the Company

Hong Kong, China
26 March 2026

Financial Highlights

	Year ended 31 December		
	2025 RMB'000	2024 RMB'000	Year-over-year change
IFRS measures:			
Revenue	**13,041,523**	9,421,888	38.4%
Gross profit	**11,285,504**	7,911,678	42.6%
Profit/(loss) for the year	**813,565**	(94,631)	NM*
Non-IFRS measures[1]:			
Non-IFRS profit for the year	**1,723,090**	331,611	419.6%
Non-IFRS EBITDA for the year	**1,990,678**	411,582	383.7%

* The percentage of year-over-year change is not meaningful as the figure in 2024 was negative.

Revenue Set New Height; First Full Year of Profitability

2025 marked a definitive milestone in Innovent's history. The total revenue of the Company reached RMB13,041.5 million, representing a YoY growth of 38.4%. Surpassing the RMB10.0 billion revenue threshold in just seven years after our first product launch – while maintaining fast growth – sets a new record for the Chinese biopharmaceutical industry. This robust performance was driven by our strategic "dual-engine" portfolio layout, particularly the successful launch and rapid ramp-up of our high-potential CVM assets, alongside the exceptional execution of our commercial team.

Crucially, 2025 stands as our first full year of profitability, signaling our entry into a new era of sustainable earnings. Net profit under IFRS reached RMB813.6 million. Non-IFRS net profit surged to RMB1,723.1 million, as compared to RMB331.6 million in 2024, with Non-IFRS EBITDA improved to RMB1,990.7 million, as compared to RMB411.6 million in 2024. This qualitative shift in profitability was driven by significant economies of scale from robust revenue growth and the continuous improvements of operating efficiency.

This combination of strong revenue growth at scale and high-quality profitability improvement serves as a powerful demonstration of Innovent's forward-looking strategic planning and excellent execution. With a significantly enhanced business foundation, we are now poised to pursue our ambitious strategic goals for the next five years – to become a global premier biopharmaceutical company.

[1] We adopted Non-IFRS measures in order to more clearly illustrate our normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Company's operating performance, and thus facilitate comparisons of operating performance from period to period and company to company to the extent applicable. Non-IFRS measures are not financial measures defined under the IFRS, and represent corresponding financial measures under IFRS excluding the effect brought by certain non-cash items, including (a) share-based compensation expenses; and (b) net foreign exchange gains or losses. Please refer to "Management Discussion and Analysis – Financial Review – 10. Non-IFRS Measure" for more information about the Non-IFRS measures.

Financial Highlights

IFRS measures:

- **Total revenue** was RMB13,041.5 million for the year ended 31 December 2025, representing an increase of 38.4% from RMB9,421.9 million for the year ended 31 December 2024. Total revenue primarily comprised product revenue and license fee income. **Product revenue** increased by 44.6% to RMB11,895.9 million for the year ended 31 December 2025, as compared with RMB8,227.9 million for the year ended 31 December 2024. Such growth was fueled by sustained leadership in the oncology field and robust expansion into the general biomedicine field. **License fee income** was RMB957.3 million for the year ended 31 December 2025, as compared with RMB1,100.2 million for the year ended 31 December 2024. License fee income emerged as an important contributor to total revenue driven by the Company's expanding portfolio of partnered assets.

- **Gross profit** was RMB11,285.5 million for the year ended 31 December 2025, increased by RMB3,373.8 million from RMB7,911.7 million for the year ended 31 December 2024. **Gross profit** as a percentage of total revenue also increased by 2.5 percentage points to 86.5% for the year ended 31 December 2025 compared with 84.0% for the year ended 31 December 2024. The increase in gross profit margin was primarily driven by increased production volume, improved cost of production and favorable product mix.

- **R&D expenses** were RMB2,624.2 million for the year ended 31 December 2025, compared to RMB2,681.1 million for the year ended 31 December 2024. During the Reporting Period, the Company demonstrated strong execution of its R&D initiatives through sustained strategic investment in both late-stage assets and early-stage portfolio. Meanwhile, we continue to advance our next-generation novel pipeline into global development.

- **Selling and marketing expenses** were RMB5,712.9 million, accounting for 43.8% of total revenue, or 48.0% of product revenue for the year ended 31 December 2025, as compared with RMB4,346.9 million, accounting for 46.1% of total revenue, or 52.8% of product revenue for the year ended 31 December 2024. This decrease in expense ratio was primarily driven by continued revenue growth and productivity enhancements across our established oncology portfolio. Meanwhile, general biomedicine field achieved rapid revenue ramp-up through a comprehensive multi-channel distribution strategy.

- **Profit** reached RMB813.6 million for the year ended 31 December 2025, as compared with the loss of RMB94.6 million for the year ended 31 December 2024. Key drivers facilitating the turnaround included robust revenue growth and operational efficiency enhancement.

Financial Highlights

Non-IFRS measures:

- **Non-IFRS gross profit as a percentage** of total revenue was 87.2% for the year ended 31 December 2025, representing an increase of 2.3 percentage points as compared with 84.9% for the year ended 31 December 2024.

- **Non-IFRS R&D expenses** were RMB2,426.3 million for the year ended 31 December 2025, as compared with RMB2,499.8 million for the year ended 31 December 2024.

- **Non-IFRS administrative and other expenses** were RMB638.2 million and RMB515.4 million for the years of 2025 and 2024, respectively. The ratio of Non-IFRS administrative and other expenses as a percentage of total revenue decreased by 0.6 percentage points from 5.5% in 2024 to 4.9% in 2025.

- **Non-IFRS selling and marketing expenses** were RMB5,624.2 million, accounting for 43.1% of total revenue, or 47.3% of product revenue for the year ended 31 December 2025, as compared with RMB4,284.4 million, accounting for 45.5% of total revenue, or 52.1% of product revenue for the year ended 31 December 2024.

- **Non-IFRS profit** was RMB1,723.1 million for the year ended 31 December 2025, as compared with RMB331.6 million for the year ended 31 December 2024.

- **Non-IFRS EBITDA** was RMB1,990.7 million for the year ended 31 December 2025, as compared with RMB411.6 million for the year ended 31 December 2024.

Business Highlights

2025 was a watershed year for Innovent, marked by breakthroughs in scale, profitability, and global innovation. During the year ended 31 December 2025 and up to the date of this annual report, we have successfully evolved into a "dual-engine" powerhouse, balancing our oncology leadership with a growing general biomedicine franchise. Importantly, we delivered our first full year of profitability, stepping into an era of sustainable earnings. The advancement of three assets into or ready for global Phase 3 trials, combined with our major strategic partnerships, has not only unlocked substantial future value but also enhanced the certainty of our growth, solidifying our path toward becoming a global premier biopharma by 2030.

Total revenue amounted to RMB13,041.5 million and product revenue amounted to RMB11,895.9 million for the year ended 31 December 2025, reflecting 38.4% and 44.6% year-over-year growth, respectively. This performance reflects the rapid scale-up of commercialization since the first product launch in 2019 and underscores the effective execution of our dual-engine growth strategy.

The Company achieved its first full year of profitability. Net profit (under IFRS measures) reached RMB813.6 million for the year ended 31 December 2025, net profit (under Non-IFRS measures) surged by 419.6% to RMB1,723.1 million, and EBITDA increased by 383.7% to RMB1,990.7 million. It signifies our entry into a new era of sustainable earnings.

Product portfolio expanded to 18 marketed products, including 12 products listed on the NRDL.

- In oncology, we successfully launched Limertinib, DOVBLERON® (taletrectinib adipate), Jaypirca® (pirtobrutinib) and TABOSUN® (Ipilimumab N01 injection) – further strengthening our leadership position with one of the most comprehensive oncology innovative pipelines in China.

- In general biomedicine, we successfully expanded commercial footprint as new growth pillar for the Company. Mazdutide, SINTBILO® (tafolecimab injection) and SYCUME® (teprotumumab N01 injection) have contributed as crucial new growth drivers. Furthermore, PECONDLE® (picankibart injection) as an anchor asset in autoimmune disease area, has received approval for launch at the end of 2025.

- The updated 2025 NRDL list (effective on 1 January 2026) features a new indication of TYVYT® (sintilimab injection), and first-time inclusions of SYCUME® (teprotumumab N01 injection), Limertinib, DUPERT® (fulzerasib), DOVBLERON® (taletrectinib adipate), RETSEVMO® (selpercatinib) and Jaypirca® (pirtobrutinib).

Business Highlights

The Company continued to advance lifecycle management strategies for our launched products and late-stage assets, with multiple NDAs and registrational trials underway. This robust pipeline progression serves as the primary engine for our sustained and visible business growth.

- **Mazdutide (GCG/GLP-1)**: the world's first approved GCG/GLP-1 dual receptor agonist for weight management and T2D. The third drug application is under review for the 9mg dose based on GLORY-3 results. Currently, five Phase 3 clinical studies are completed; four additional Phase 3 clinical studies were initiated to expand into new indications such as adolescent obesity, OSA, overweight or obesity accompanied with MAFLD and hypertension. Additionally, new clinical studies were initiated in MASH and HFpEF.

- **TYVYT® (sintilimab injection)**: The tenth indication is under review for second-line treatment of RCC. One Phase 3 clinical study was ongoing for perioperative therapy of NSCLC, potentially supporting a future NDA submission in 2026.

- **PECONDLE® (picankibart injection)**: China's first domestic IL-23p19 monoclonal antibody for psoriasis. Currently, three Phase 3 clinical studies are completed or ongoing, to explore long-term management and inadequate responders to prior anti-IL-17 therapies. Additionally, new clinical studies began in adolescent psoriasis and adult psoriatic arthritis.

- **SYCUME® (teprotumumab N01 injection):** Approved as China's first domestic IGF-1R monoclonal antibody for TED. A Phase 3 clinical study in inactive TED is currently underway, and a new Phase 3 clinical study in head-to-head comparison with steroid therapy in 1L TED is in plan.

- **Efdamrofusp Alfa (VEGF/complement)**: A Phase 3 clinical study (STAR) in nAMD met its primary endpoint in March 2026, demonstrating the benefits of an extended 16-week dosing interval and the potential to reduce the incidence of macular atrophy (MA).

- **Tigulixostat (XOI):** Positive results were achieved from a Phase 2 clinical study for hyperuricemia in gout patients and in March 2026, the first patient was dosed in a Phase 3 clinical study in China.

- **IBI354 (HER2 ADC):** Two Phase 3 clinical trials were initiated and ongoing in China in PROC and first-line HER2-positive BC. Additional PoC studies in first-line treatment of HER2-low BC, HER2-low CRC and neoadjuvant or adjuvant treatment of BC, are ongoing or in plan.

Business Highlights

Three high-potential novel assets advanced into, or ready for, global Phase 3 clinical development, targeting a total addressable market exceeding US$60 billion. These de-risked, late-stage programs served as a cornerstone and a potential robust growth driver for the Company's entry into global markets in the future.

- **IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$): The new generation and first-in-class IO therapy, advancing into registrational clinical studies.**
  - A series of outstanding Phase 1/2 results were presented at the 2025 ASCO Annual Meeting, where IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$) demonstrated manageable safety, remarkable response efficacy, and survival benefits across cold tumors, IO-resistant tumors, and programmed cell death PD-L1 low-expression subgroups.
  - The first global registrational trial – a multi-regional Phase 3 clinical study for IO-resistant squamous NSCLC – was initiated.
  - A pivotal Phase 2 trial in IO-naïve melanoma (acral and mucosal subtypes) in China was initiated.
  - IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$) is being developed as the next-generation IO therapy with potential for treating a broad range of cancers. Currently, multiple PoC studies are ongoing including in the first-line treatment of NSCLC and CRC. Explorations in a series of new indications are also underway or in plan.
- **IBI343 (CLDN18.2 ADC): The potential best-in-class ADC advanced into registrational trials.**
  - The multi-regional Phase 3 clinical study in third-line GC is underway in China and Japan.
  - A Phase 3 clinical study in third-line PDAC in China was initiated.
  - Additional PoC studies are ongoing in the first-line treatment of PDAC and GC.
- **IBI324 (VEGF/ANG2): The potential best-in-class retinal therapeutic with advancement into registrational trials in plan.**
  - Positive topline data of IBI324 were announced by our partner Ollin Biosciences from a head-to-head JADE Phase 1b clinical study versus faricimab (Vabysmo®). IBI324 demonstrated superiority versus faricimab in terms of faster and greater retinal drying in DME and numerically greater BCVA improvements in both DME and wAMD.
  - The multi-regional Phase 3 clinical studies are planned to initiate in 2026 subject to regulatory communications.

Business Highlights

We continued to strengthen our diversified early-stage pipeline with next-generation global candidates, accumulating initial data to support potential global development opportunities.

In oncology, our focus is on leveraging next-generation 'IO+ADC' candidates to redefine treatment standards and address global unmet needs in key therapeutic areas, such as:

- **IBI3003 (GPRC5D/BCMA/CD3)** reported encouraging Phase 1 clinical study data at the 2025 ASH Annual Meeting. Based on the data, the U.S. FDA granted IBI3003 FTD for the treatment of R/R MM patients who have received four or more lines of previous anti-myeloma therapies.

- MRCT Phase 1 studies were also underway for multiple ADC candidates developed based on our proprietary SoloTx® and DuetTx® ADC platforms, including IBI3009 (DLL3 ADC), IBI3001 (B7H3/EGFR ADC), IBI3005 (EGFR/HER3 ADC), IBI3014 (PD-L1/TROP2 ADC) and IBI3020 (CEACAM5 dual-payload ADC).

In general biomedicine, a new wave of global candidates was moved into Phase 1/2 stage, such as:

- **IBI3032**, a next-generation oral GLP-1 small molecule, advanced into Phase 1 clinical studies in China and the U.S. in late 2025.

- **IBI3016**, a novel AGT siRNA for hypertension, showed positive Phase 1 clinical results. Phase 2 study in hypertension were initiated in China recently, with clinical exploration of IBI3016 in Japan in plan.

- **IBI3002**, a first-in-class TSLP/IL-4Rα bispecific, showed positive preliminary Phase 1 study data for asthma, and Phase 2 clinical study in atopic dermatitis ongoing.

Business Highlights

Furthermore, Innovent Academy successfully advanced 11 new molecules into the IND-enabling stage in 2025, to fuel the Company's sustained growth in the long run.

We accelerated globalization through diversified strategic partnerships and registration in international markets:

- We entered into global strategic partnership with Takeda to accelerate the global development and commercialization of our next-generation IO and ADC therapies, including the global partnership on IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$) and IBI343 (CLDN18.2 ADC), and an option for an early-stage program IBI3001 (EGFR/B7H3 ADC). Specifically, Innovent and Takeda will co-develop IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$) globally and co-commercialize it in the U.S., where Takeda will lead the co-development and co-commercialization efforts under joint governance and aligned development plan; Takeda will receive exclusive commercialization rights outside Greater China and the U.S.. We received from Takeda an upfront payment of US$1.2 billion, including a US$100 million equity investment through new share issuance at a premium. We are also eligible for development and sales milestone payments totaling up to approximately US$10.2 billion, and potential royalty payments for each molecule outside Greater China, except with respect to the commercialization of IBI363 in the U.S., where the parties will share profits or losses (40%/60% Innovent/Takeda).

- We entered into the seventh partnership with Eli Lilly to advance novel medicines in oncology and immunology, establishing a new model for Innovent to accelerate the global development of our innovative pipeline. We will lead the development of programs from concept through clinical PoC (Phase 2 clinical trial completion) in China, while Lilly gains exclusive license to develop and commercialize the programs worldwide outside Greater China. We will receive US$350 million upfront payment and is eligible to receive development, regulatory and commercial milestone payments totaling up to approximately US$8.5 billion. Additionally, we will be eligible for tiered royalties on net sales of each product outside of Greater China.

- We entered into a collaboration and exclusive global license agreement with Roche (SIX: RO, ROG; OTCQX: RHHBY) for IBI3009 (DLL3 ADC). We received US$80 million upfront payment and is eligible to receive development, regulatory and commercial milestone payments totaling up to approximately US$1 billion, along with tiered royalties on net sales.

- Pursuant to the agreement with Ollin Biosciences for IBI324 (VEGF/ANG2), we received an upfront payment and equity shares in Ollin Biosciences. Innovent is also eligible to receive IBI324 (VEGF/ANG2)'s development, regulatory, and commercial milestone payments, along with tiered royalties on net sales.

- Approvals were obtained from the Macau ISAF for mazdutide (GCG/GLP-1), DUPERT® (fulzerasib), SINTBILO® (tafolecimab injection) and BYVASDA® (bevacizumab injection).

- We continued collaborating with regional partners to expedite the registrational process of our products such as TYVYT® (sintilimab injection) and BYVASDA® (bevacizumab injection) in Southeast Asian and Latin American markets.

Business Highlights

Our high-quality R&D data were featured in top-notch scientific journals and conferences, including:

- *NEJM* published the Phase 3 clinical study of mazdutide in Chinese adults with overweight or obesity (GLORY-1). It is the first time a clinical trial of an innovative metabolic and endocrine therapy developed in China that has been published in *NEJM.*

- *Nature* published back-to-back the results of two Phase 3 clinical studies of mazdutide in Chinese adults with T2D (DREAMS-1, DREAMS-2). Mazdutide is the first China-developed innovative drug with two clinical studies simultaneously published in *Nature* and the only GCG/GLP-1-based therapy ever to achieve top-tier publications in both *Nature* and *NEJM*.

- *Nature Medicine* published the Phase 1 clinical results of IBI343 (CLDN18.2 ADC) in patients with advanced gastric/gastroesophageal junction adenocarcinoma.

- *Cancer Cell* published the Phase 1b results of TABOSUN® (Ipilimumab N01 injection) plus TYVYT® (sintilimab injection) as neoadjuvant treatment in locally advanced MSI-H/dMMR colon cancer.

- Eight oral presentations at the 2025 ASCO Annual Meeting showcased breakthrough clinical data of IBI363 (PD-1/IL-$2^{\alpha\text{-bias}}$), IBI343 (CLDN18.2 ADC) and other novel drug candidates, highlighting the strength and global competitiveness of our R&D.

- Multiple oral and poster presentations featured at the ADA 85th Scientific Sessions, showcasing DREAMS-1 and exploratory MoA analyses of mazdutide, as well as a preclinical study of IBI3030 (PCSK9-GGG antibody-peptide-conjugate (APC)).

We run a state-of-the-art manufacturing facility engineered to international standards. We own full in-house capabilities in CMC across process development, manufacturing, quality, supply chain and engineering. The total of 140,000 liters of manufacturing capacity currently in operation and the world-leading single-batch antibody production scale ensured sufficient resources to support both our growing drug pipeline and ongoing business expansions, at competitive production costs.

During the Reporting Period, the Company has been successfully added as a constituent of the HSI, joining the ranks of blue-chip companies representing Hong Kong capital market's core assets. This milestone makes Innovent the first company that has grown from a biotech startup into a leading biopharma company and ultimately been included in the HSI. The Company has been concurrently added to the Hang Seng China Enterprises Index (HSCEI) and the Hang Seng ESG Enhanced Index.

During the Reporting Period, the Company maintained its industry-leading ESG performance, and retained its **MSCI ESG AAA rating**.

For details of any of the foregoing, please refer to the rest of this annual report and, where applicable, the Company's prior announcements published on the websites of the Stock Exchange and the Company.

Management Discussion and Analysis

Overview

Innovent is a leading biopharmaceutical company founded in 2011 with the mission to empower patients worldwide with affordable, high-quality biopharmaceuticals. Leveraging an established, fully integrated platform, the Company discovers, develops, manufactures and commercializes innovative medicines that treat some of the most intractable diseases. Its pioneering therapies address cancer, CVM, autoimmune and eye diseases, supported by a robust pipeline spanning multiple novel modalities, including monoclonal antibodies, multi-specific antibodies, immuno-cytokines, ADCs, cell therapy and small molecules.

Guided by the motto, "Start with Integrity, Succeed through Action", the Company maintains the highest standard of industry practices and works collaboratively to advance the biopharmaceutical industry so that first-rate pharmaceutical drugs can become widely accessible.

From China Leadership to Global Premier: Innovent's Definitive Path to Value and Growth

Revenue Surpasses RMB10 Billion, Entering the Era of Profitability and Globalization

2025 stands as a definitive milestone in Innovent's history, marking the successful conclusion of our third 'Five-Year Plan'. This year, we achieved historic breakthroughs across three critical dimensions: business scale, financial health, and global innovation. We have successfully transitioned from an "Oncology Leader" to a "Dual-Engine" powerhouse driven by both oncology and general biomedicine. During the past year, three late-stage global assets were advanced into, or positioned for, global MRCT Phase 3 clinical trials, complemented by strategic partnerships to accelerate the realization of their value. Most significantly, we achieved our first full year of profitability, officially entering a new era of sustainable earnings.

These achievements not only validate our forward-looking strategy and execution but also firmly establish Innovent as China's leading biopharma. We are now fully poised to embark on our ambitious strategic goals over the next five years – to become a global premier biopharma company.

Revenue Surpassed RMB10 Billion: A Historic Milestone. In 2025, total revenue surpassed RMB13.0 billion, representing a YoY growth of 38.4%. Product revenue reached RMB11.9 billion, up 44.6% YoY. Achieving the RMB10.0 billion milestone in just seven years after our first product launch in 2019 – while maintaining fast growth – set a new speed record for Chinese biopharma companies. This explosive growth is driven by our strong leading position in oncology field and our strategic portfolio layout – particularly the successful launch and ramp-up of our high-potential CVM assets – and the exceptional execution of our commercial team.

- **Solidified leadership in oncology through advancing new-generation IO+ADC assets into registrational trials.** In 2025, major products, including TYVYT® (sintilimab injection) sustained continuous growth momentum while newly launched oncology products – including Limertinib, DOVBLERON® (taletrectinib adipate), Jaypirca® (pirtobrutinib), and TABOSUN® (ipilimumab N01 injection) – further strengthened the breadth and competitiveness of the oncology franchise.

  Meanwhile, our next-generation IO and ADC pipelines are progressing into late-stage development, serving as important future growth drivers, including IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$), IBI343 (CLDN18.2 ADC) and IBI354 (HER2 ADC), all undergoing registration studies that may establish new standard-of-care options in support of future portfolio scaling and sustainable growth.

- **As a new growth pillar, the general biomedicine franchise demonstrated a robust launch trajectory.** In 2025, the launch of mazdutide, SYCUME® (teprotumumab N01 injection), and the NRDL inclusion of SINTBILO® (tafolecimab injection) achieved robust commercialization, benefiting from high-profile products, clear unmet medical needs in vast chronic disease areas, and innovative commercialization strategy and execution that improved disease education and drug accessibility. In addition, PECONDLE® (picankibart injection), another anchor asset in the autoimmune disease area, also received approval for launch at the end of 2025.

Looking ahead, strategic indication expansion will maximize the clinical value of each aforementioned high-potential asset, together with late-stage assets in development, including Tigulixostat (XOI), IBI302 (VEGF/C), and IBI324 (VEGF/ANG2).

First Full Year of Profitability & Robust Cash Position. We achieved a net profit (IFRS measures) of RMB813.6 million in 2025, marking a structural turnaround in our profitability profile. Non-IFRS net profit surged to RMB1,723.1 million, as compared to RMB331.6 million in 2024. Non-IFRS EBITDA improving to RMB1,990.7 million, as compared to RMB411.6 million in 2024. This qualitative shift is driven by economies of scale from robust revenue growth and the continuous improvement of operating efficiency. As of 31 December 2025, our cash reserves stand at approximately US$3.5 billion, providing a formidable war chest for our continued global expansion.

Starting Year of Globalization: Unlocking Pipeline Value and Forging Diversified Partnerships. 2025 marked the inaugural year of Innovent's globalization. We are advancing three core assets into global Phase 3 clinical trials. The total addressable markets (TAM) of these three late-stage assets are estimated to exceed US$60 billion per our partners. Continuous progression of the assets going forward will provide significant upside value for our Company.

- In 2025, IBI363 (PD-1/IL-2$^{\alpha\text{-bias}}$) read out robust results from its first wave of PoC studies in later-line treatment of NSCLC, CRC, and melanoma, validating its unique MoA and substantial market potential and positioning it as a cornerstone candidate for future IO therapies. During the year, the first pivotal Phase 2 clinical study in melanoma was initiated in China, and the first global MRCT Phase 3 clinical study in 2L squamous NSCLC was initiated – marking a significant milestone for this molecule. More PoC studies, including in 1L NSCLC, 1L CRC, and 2L non squamous NSCLC, are underway, with continuous data readouts and clinical development planned this year; new indication exploration is also underway.

- IBI343 (CLDN18.2 ADC) advanced meaningfully with the ongoing Phase 3 study in China and Japan in 3L GC and the initiation of a Phase 3 study in 3L PDAC. PoC studies in 1L PDAC and 1L GC are underway to further unlock its market opportunities in global markets.

- IBI324 (VEGF/ANG-2), the Company's bispecific VEGF/ANG-2 antibody in collaboration with Ollin Biosciences, delivered positive topline data from a head-to-head Phase 1b trial against faricimab (Vabysmo®), demonstrating faster and greater retinal drying with numerically superior BCVA improvements. MRCT Phase 3 trials in DME and wAMD are planned to initiate this year pending regulatory communication.

Meanwhile, we forged a series of diversified global partnerships. The landmark deal with Takeda will help us expand our R&D and commercial capabilities in international markets through the strategic "Co-Co" collaboration model. Our seventh creative collaboration with Lilly will allow us to leverage both parties' advantages to create new, novel pipelines, accelerating global innovation in oncology and immunology. Meanwhile, the partnership with Ollin Biosciences has rapidly advanced our early-stage pipeline, positioning it for global late-stage trials by leveraging our partner's expertise in global ophthalmology. The partnership with Roche is developing our IBI3009 (DLL3 ADC) in global Phase 1 studies.

We will receive a total upfront of over US$1.6 billion for the aforementioned deals, with a total deal value exceeding US$22 billion, plus potential profit sharing or royalty payments post-launch. **These collaborations will not only guarantee the accelerated realization of our pipeline's value in global markets but also provide strong financial support on our path to becoming a truly globalized company.**

These extensive global collaborations and pipeline advancements collectively position Innovent as a formidable player on the international biopharmaceutical stage, poised for significant value creation.

Vision and Outlook: Becoming a Global Premier Biopharma

Entering 2026, Innovent embarks on its 15th year. Standing at this new starting point, we have defined our "Vision 2030": To become a global premier biopharmaceutical company. To achieve this, we will focus on four strategic pillars:

Revenue Scale: Scaling for Global Leadership. Based on our robust business momentum and rich pipeline, we are committed in achieving our RMB20 billion revenue target by 2027 and driving continuous top-line expansion thereafter. Future growth will be powered by dual engines: the robust trajectory of our domestic portfolio, and the emergence of international markets as a new revenue accelerator, especially following the potential launch of our global late-stage assets. By 2030, we aim to not only solidify our top-tier status in China but also increase the contribution of international revenue through a diversified portfolio, and a combination of in-house development and global partnerships. This diversified revenue structure will truly position Innovent as a global biopharma company.

Profitability: Operational Excellence Drives Superior Returns. Scale expansion must be accompanied by quality growth. We are committed to elevating our profit margins to the level of top-tier pharma, driven by continuous improvements in production processes and reductions in manufacturing costs, leveraging the scale effects of rapid revenue growth to enhance overall operational efficiency, rigorous requirement on investment returns in pipeline development, and result-oriented incentive mechanisms and lean operations.

Global Innovation: Pioneering Next-Generation Therapies Worldwide. Our goal by 2030 is to have at least five molecules in global MRCT Phase 3 and to achieve revenue in international markets. We will leverage our unique "East-West Dual Engine" R&D advantage – combining efficient clinical resources and execution in China with a global development network. Simultaneously, we will double down on early-stage innovation to incubate next-generation therapies, to ensure a sustainable pipeline lifecycle. Our next-generation pipeline is focused on IO+ADC in oncology, represented by IBI363, IBI343, IBI3003, bispecific ADCs, and dual-payload ADCs, designed to enhance treatment standards and address unmet needs in key therapeutic areas such as lung cancer, CRC, BC, gastrointestinal cancer, and multiple myeloma. Our next-generation general biomedicine pipeline includes a well-rounded portfolio for diversified medical needs in obesity treatment, CVM disorders, autoimmune diseases, and eye diseases, aiming to address current challenges such as therapeutic efficacy ceilings, lack of deep and durable efficacy, inconvenience of administration, tolerability issues, and comorbidities.

Global Organization and Infrastructure: Building a Resilient Global Foundation. Our ultimate goal for globalization is to become a truly integrated global biopharma with comprehensive capabilities and facilities across international markets. This entails establishing end-to-end global platform capabilities spanning R&D, commercialization, and supply chain. We have already proactively built foundational elements, including our U.S. early research laboratory and dedicated R&D teams. Simultaneously, we will accelerate the expansion of our global teams and capabilities through a hybrid model of organic growth and strategic partnerships. For instance, our 'Co-Co' collaboration model with Takeda on IBI363 will rapidly build and enhance our international R&D, regulatory, and future commercial capabilities. These acquired and strengthened capabilities, in turn, will be leveraged for the independent development of a broader product portfolio. This strategic approach not only expedites our transformation into a truly independent global biopharma but also enables us to achieve this evolution with optimized risk and capital deployment.

2026 Serves a Crucial Year for Global Sprint & Commercial Deepening

2026 serves as the opening year of our new strategic cycle, marking a pivotal moment for Innovent. We are fully committed to driving continued robust growth in commercialization and further enhancing profitability. This involves consolidating our strong oncology foundation while maximizing the patient-centric potential of our CVM portfolio through innovative commercial models, and driving enhanced profitability through scaled operations under disciplined management.

Simultaneously, we aim for continuous breakthrough in global innovation. We will accelerate our late-stage assets by prioritizing the global development of IBI363 for major indications including 1L treatments, IBI343 for 1L treatment of PDAC and GC, and IBI324 for retinal diseases. Concurrently, we will validate our high-potential early-stage assets, delivering PoC and early-stage Phase 1 clinical data for molecules such as IBI3003 (GPRC5D/BCMA/CD3), next-generation ADCs, IBI3032 (oral GLP-1) and IBI3002 (TSLP/IL4R), and move new next-gen molecules into clinics. Our strategy also includes leveraging both in-house R&D capabilities and ongoing partnership opportunities to maximize the value of our entire pipeline.

(Detailed pipeline development plans follow in the subsequent sections.)

We are more grounded than ever, yet more optimistic about the future. Innovent is poised and ready to embrace our next five years of brilliance. We are well-positioned to become a global premier biopharma company and continue to deliver value to our shareholders.

Product Portfolio and Pipeline Summary

Leveraging the Company's fully integrated, multi-functional platform and strategic partnerships and collaborations, we develop pioneering therapies to treat cancer, CVM, autoimmune and eye diseases. The Company has launched 18 products in the market, with five assets in Phase 3 or pivotal clinical trials and 14 molecules in early clinical stage.

Management Discussion and Analysis

The following chart summarizes the therapeutic targets, therapeutic areas, and development status of our pipeline assets as of the date of this annual report.

Products/Drug Candidates	Target (s)	Modality	Therapeutic Area	Rights	Pre-clinical	IND	Phase 1	Phase 1b/2	Pivotal Phase 2 / Phase 3	NDA	Launched
TYVYT® (sintilimab)	PD-1	Monoclonal antibody	Oncology	Worldwide	Approved：1L nsqNSCLC, 1L sqNSCLC, 1L HCC, 1L GC, 1L ESCC, 2L EGFRm nsqNSCLC, cHL, EMC, neoadj. Colon cancer; NDA: RCC						
BYVASDA® (bevacizumab)	VEGF-A	Monoclonal antibody	Oncology	Worldwide	Approved: NSCLC, mCRC, HCC, rGBM, r/r CC, OC, 2L EGFRm nsqNSCLC						
HALPRYZA® (rituximab)	CD20	Monoclonal antibody	Oncology	Worldwide	Approved: nHL, CLL						
Pemazyre® (pemigatinib)	FGFR1/2/3	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L CCA						
Olverembatinib (BCR-ABL TKI)	BCR/ABL	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 2L TKI-resistant CML						
Cyramza® (ramucirumab)	VEGFR-2	Monoclonal antibody	Oncology	Mainland China	Approved: 2L GC, 2L HCC						
Retsevmo® (selpercatinib)	RET	Small molecule	Oncology	Mainland China	Approved: RETmNSCLC/TC/MTC						
FUCASO® (equecabtagene autoleucel)	BCMA	Cell therapy	Oncology	Worldwide	Approved: r/r MM						
DUPERT® (fulzerasib)	KRAS G12C	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: KRAS+ NSCLC						
Jaypirca® (pirtobrutinib)	BTK	Small molecule	Oncology	Mainland China	Approved: MCL; CLL/SLL						
DOVBLERON® (taletrectinib adipate)	ROS1	Small molecule	Oncology	Mainland China, HK, Taiwan, Macau	Approved: 1L ROS1+ NSCLC; 2L ROS1+ NSCLC						
Limertinib	EGFR	Small molecule	Oncology	Mainland China	Approved: 1L EGFR 19DEL/L858R NSCLC; 2L EGFR T790M+ NSCLC						
TABOSUN® (IpilimumabN01)	CTLA-4	Monoclonal antibody	Oncology	Worldwide	Approved: Neoadjuvant colon cancer						
IBI363	PD-1/IL-2^{Bias}	Bispecific antibody	Oncology	Worldwide	IO Naïve melanoma						
					IO-resistant sqNSCLC						
					IO-resistant nsqNSCLC, 3L CRC, 1L CRC, 1L NSCLC etc.						
IBI343	CLDN18.2	Antibody drug conjugate	Oncology	Worldwide	3L GC; 3L PDAC						
					1L GC; 1L PDAC						
IBI354	HER2	Antibody drug conjugate	Oncology	Worldwide	3L PROC; 1L BC						
					HER2 low BC; HER2 low CRC						
IBI3003	GPRC5D/BCMA/CD3	Trispecific antibody	Oncology	Worldwide	MM						
IBI3005	EGFR/HER3	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3009	DLL3	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3001	EGFR/B7H3	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3014	PD-L1/TROP2	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3020	CEACAM5	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						
IBI3026	PD-1/IL-12	Bispecific antibody	Oncology	Worldwide	Advanced malignancies						
IBI3028	EGFR/c-Met	Antibody drug conjugate	Oncology	Worldwide	Advanced malignancies						

NSCLC: non small cell lung cancer; HCC: hepatocellular carcinoma; GC: gastric cancer; ESCC: esophageal squamous cell carcinoma; GBM: glioblastoma; CC: cervical cancer; OC: ovarian cancer; cHL: classic Hodgkin lymphoma; CML: chronic myeloid leukemia; CLL: chronic lymphocytic leukemia; SLL: Small Lymphocytic Lymphoma;CCA: cholangiocarcinoma; TC: thyroid cancer ; MTC: medullary thyroid cancer; CRC: colorectal cancer; MDS: myelodysplastic syndrome; MM: multiple myeloma; PDAC: pancreatic ductal adenocarcinoma

Approved drugs **Pivotal/Registrational trials** **Early stagetrials**

Products/Drug Candidates	Target (s)	Modality	Therapeutic Area	Rights	Pre-clinical	IND	Phase 1	Phase 1b/2	Pivotal Phase 2 / Phase 3	NDA	Launched
Mazdutide	GCG/GLP-1	Polypeptide	Cardiovascular & Metabolic	Mainland China, HK, Taiwan, Macau	Approved: Obesity (4/6mg)						
					Approved: T2D (4/6mg)						
					Obesity (9mg)						
					T2DM with obesity (head-to-head Semaglutide)						
					Obesity with OSA						
					Obesity with MAFLD (head-to-head Semaglutide)						
					Adolescent obesity						
					Obesity with hypertension						
					MASH						
					HFpEF						
					Obesity (higher dose)						
SINTBILO® (tafolecimab)	PCSK9	Monoclonal antibody	Cardiovascular & Metabolic	Worldwide	Approved: Primary hypercholesterolemia and mixed dyslipidemia						
SYCUME® (teprotumumab N01)	IGF	Monoclonal antibody	Ophthalmology	Worldwide	Approved: TED						
					Inactive TED; 1L TED						
SULINNO® (adalimumab)	TNF-α	Monoclonal antibody	Autoimmune	Worldwide	Approved: RA, AS, Pso, Pediatric plaque Pso, PJIA, Uveitis , CD, Pediatric CD						
PECONDLE® (pincankibart)	IL-23p19	Monoclonal antibody	Autoimmune	Worldwide	PsO						
					PsO (Biologic switching, IL-17 inadequately responded)						
					PsO (Randomized withdrawal)						
					UC						
IBI302 (efdamrofusp alfa)	VEGF/Complement	Fusion protein	Ophthalmology	Worldwide	nAMD (8mg HD)						
					DME (8mg HD)						
IBI128 (tigulixostat)	XOI	Small molecule	Cardiovascular & Metabolic	Mainland China, HK, Taiwan, Macau	Gout with Hyperuricemia						
IBI324	VEGF-A/ANG-2	Fusion protein	Ophthalmology	Worldwide	DME; nAMD						
IBI355	CD40L	Monoclonal antibody	Autoimmune	Worldwide	pSS						
IBI356	OX40L	Monoclonal antibody	Autoimmune	Worldwide	AD						
IBI3002	TSLP/IL-4Rα	Fusion protein	Autoimmune	Worldwide	Asthma; AD						
IBI3016	AGT	siRNA	Cardiovascular & Metabolic	Asia	Hypertension						
IBI3032	Oral GLP-1R	Small molecule	Metabolism	Worldwide	Obesity; T2DM						
IBI3011	IL-1RAP	Monoclonal antibody	Autoimmune	Worldwide	Gout flare						
IBI3042	Oral GLP-1R (weekly)	Small molecule	Metabolism	Worldwide	Obesity;						

MAFLD: metabolic associated fatty liver disease; MASH: Metabolic associated steatohepatitis; HFpEF: heart failure with preserved ejection fraction; TED: thyroid eye disease
AS: ankylosing spondylitis; RA: rheumatoid arthritis; PsA: psoriatic arthritis; PsO: psoriasis; CD: Crohn's disease; PJIA: polyarticular juvenile idiopathic arthritis
HeFH: heterozygous familial hypercholesterolemia; Non-FH: non-familial hypercholesterolemia; TED: thyroid eye disease; DME: diabeticmacular edema; nAMD: Neovascular age-related maculardegeneration; AD: atopic dermatitis; pSS: primary sjogrens syndrome;

Approved drugs **Pivotal/Registrational trials** **Early stage trials**

Business Review

Major Milestones and Achievements during the Reporting Period and Post-Reporting Period (Expected)

Our commercial stage portfolio contains a total of 18 marketed products: TYVYT® (sintilimab injection), BYVASDA® (bevacizumab injection), SULINNO® (adalimumab injection), HALPRYZA® (rituximab injection), PEMAZYRE® (pemigatinib), Olverematinib, Cyramza® (ramucirumab), Retsevmo® (selpercatinib), FUCASO® (Equecabtagene Autoleucel), SINTBILO® (tafolecimab injection), DUPERT® (fulzerasib), DOVBLERON® (taletrectinib adipate), Jaypirca® (pirtobrutinib), Limertinib, SYCUME® (teprotumumab N01 injection), mazdutide, PECONDLE® (picankibart injection) and TABOSUN® (Ipilimumab N01 injection). 12 of our products have been included in the NRDL.

Commercial Stage Products – Oncology (Selected)

TYVYT® (sintilimab injection): *an innovative fully human anti-PD-1 monoclonal antibody co-developed with Lilly;*

Approved and included in the NRDL for eight indications in China, including lung cancer, liver cancer, gastric cancer, esophageal cancer, Hodgkin's lymphoma, endometrial cancer, etc. Furthermore, the ninth indication for MSI-H/dMMR colon cancer was conditionally approved by NMPA in December 2025, and one more NDA for renal cancer are currently under the NMPA review.

Regulatory Actions

- In June 2025, TYVYT® (sintilimab injection)'s tenth indication, in combination with fruquintinib for the treatment of patients with locally advanced or metastatic RCC who failed prior systemic treatment, was accepted for NDA review by the NMPA. The NDA is expected to receive approval in 2026.
- In December 2025, TYVYT® (sintilimab injection)'s ninth indication, in combination with TABOSUN® (Ipilimumab N01 injection) as neoadjuvant therapy for stage IIB-III resectable MSI-H/dMMR colon cancer, receive approval by the NMPA.
- A Phase 3 trial of sintilimab as perioperative therapy for NSCLC is ongoing (NCT05116462). The study results are anticipated to be readout in 2026, potentially supporting a NDA submission to the NMPA.

NRDL Coverage

- In December 2025, TYVYT® (sintilimab injection) was included in the NRDL (2025 version) for its eighth indication, in combination with fruquintinib for the treatment of patients with advanced endometrial cancer with Mismatch Repair proficient (pMMR) tumors that have failed prior systemic therapy and are not candidates for curative surgery or radiation. The updated NRDL (2025 version) took effect on 1 January 2026.

Development Progress

- We continue to carry out clinical development programs for TYVYT® (sintilimab injection) as a backbone immunotherapy, in multiple clinical studies in combination with other novel modalities, such as ADCs and small molecules to address unmet medical needs for cancer treatment. In April 2025, we expanded clinical trial collaboration and supply agreement with our partner ImmVirX. ImmVirX will evaluate the combination therapy of its investigational oncolytic virus, IVX037 and TYVYT® (sintilimab injection) in HCC.

Data Publication

- In June 2025, the Phase 3 (ORIENT-21) results of sintilimab plus ifosfamide, carboplatin and etoposide (ICE) in second-line classical Hodgkin lymphoma (cHL) were orally presented at the 2025 ASCO Annual Meeting (Oral Abstract #7007).

- In October 2025, Cancer Cell published the Phase 1b results of intilimab plus ipilimumab N01 as neoadjuvant treatment in locally advanced MSI-H/dMMR colon cancer.

- In October 2025, the results from the FRUSICA-2 registration clinical trial of the sintilimab and fruquintinib combination for the second-line treatment in patients with locally advanced or metastatic RCC were orally presented at the ESMO Congress (Oral Abstract #2592MO).

BYVASDA® (bevacizumab injection): *a fully human anti-VEGF monoclonal antibody;*

Approved and included in the NRDL for eight indications, including NSCLC, metastatic colorectal cancer, adult recurrent glioblastoma, advanced or unresectable hepatocellular carcinoma, epithelial ovarian, fallopian tube, or primary peritoneal cancer, and cervical cancer.

Regulatory Actions

- In July 2025, BYVASDA® (bevacizumab injection) was approved by the Macau ISAF.

Limertinib: *a third-generation EGFR TKI in-licensed from Jiangsu Aosaikang Pharmaceutical Co. Ltd. (ASK Pharm, 002755.SZ) for exclusive commercialization rights in Mainland China.*

Approved and included in the NRDL for the treatment of advanced NSCLC.

Regulatory Actions

- In January 2025, the NMPA approved Limertinib for the treatment of adult patients with locally advanced or metastatic EGFR T790M-mutated NSCLC.

- In April 2025, the NMPA approved second NDA of Limertinib for first-line treatment in adult patients with locally advanced or metastatic NSCLC carrying EGFR exon 19 deletions or exon 21 L858R mutations.

NRDL Coverage

- In December 2025, Limertinib was newly listed in NRDL for the two afore-mentioned indications. The updated NRDL (2025 version) took effect on 1 January 2026.

Data Publication

- In March 2025, the long-term follow up data from the Phase 2b pivotal study for Limertinib for the treatment of adult patients with locally advanced or metastatic EGFR T790M-mutated NSCLC were presented at the 2025 European Lung Cancer Congress (ELCC).

- In June 2025, data from the Phase 3 study of Limertinib for the first-line treatment in adult patients with locally advanced or metastatic NSCLC carrying EGFR exon 19 deletions or exon 21 L858R mutations were published at the *Lancet Respiratory Medicine*.

- In September 2025, data from the Phase 1 study for Limertinib plus ASKC202 in EGFR-mutated advanced or metastatic NSCLC patients with MET amplification or MET overexpression following EGFR-TKI were presented at the 2025 ESMO Congress.

- In March 2026, long-term overall survival data from the Phase 3 study of Limertinib for the first-line treatment in adult patients with locally advanced or metastatic NSCLC carrying EGFR exon 19 deletions or exon 21 L858R mutations were presented at the 2026 European Lung Cancer Congress (ELCC).

***DUPERT® (fulzerasib)**: a novel KRAS G12C inhibitor in-licensed from GenFleet Therapeutics (Shanghai) Inc. (GenFleet, 2595.HK) for development and commercialization in Greater China;*

Approved and included in the NRDL for the treatment of advanced NSCLC harboring KRAS G12C mutation.

Regulatory Action

- In June 2025, DUPERT® (fulzerasib) was approved by the Macau ISAF.

NRDL Coverage

- In December 2025, DUPERT® (fulzerasib) was newly listed on the NRDL for the treatment of advanced NSCLC adult patients harboring KRAS G12C mutation who have received at least one systemic therapy. The updated NRDL (2025 version) took effect on 1 January 2026.

Clinical Update

- We continued to advance the Phase 1b/3 clinical trial investigating fulzerasib combination therapy in patients with previously untreated advanced NSCLC harboring KRAS G12C mutation.

DOVBLERON® (taletrectinib adipate): *a novel next-generation ROS1 TKI in-licensed from AnHeart Therapeutics, a Nuvation Bio (NYSE: NUVB) Company, for co-development and commercialization in Greater China.*

Approved and included in the NRDL in China for the treatment of ROS1-positive advanced NSCLC. IBTROZI™ (taletrectinib) also received approval by the U.S. FDA and Japan's Ministry of Health, Labour and Welfare (MHLW).

Regulatory Actions

- In January 2025, the second indication of DOVBLERON® (taletrectinib adipate) was approved by the NMPA for the treatment of adult patients with locally advanced or metastatic ROS1-positive NSCLC. A confirmatory randomized Phase 3 clinical study, known as TRUST-III, is ongoing evaluating the efficacy and safety of taletrectinib versus crizotinib in China.

Data Publication

- In September 2025, our partner Nuvation Bio announced that new data from the pivotal Phase 2 TRUST-I and TRUST-II studies on IBTROZI™ (taletrectinib) in advanced ROS1-positive NSCLC were presented at World Conference on Lung Cancer (WCLC) and ESMO Annual Congresses.

- In September 2025, our partner Nuvation Bio also announced the first patient was enrolled in a global Phase 3, placebo-controlled study known as TRUST-IV, to evaluate taletrectinib for the adjuvant treatment of patients with resected ROS1+ early-stage NSCLC.

Retsevmo® (selpercatinib): *a selective and potent transfected RET kinase inhibitor that was owned by Lilly and appointed the Company for commercialization in mainland China.*

In mainland China, Retsevmo® (selpercatinib) was conditionally approved for the treatment of adult patients with locally advanced or metastatic NSCLC with a RET gene fusion, adult and pediatric patients 12 years of age and older with advanced or metastatic MTC with a RET mutation who require systemic therapy, and adult and pediatric patients 12 years of age and older with advanced or metastatic TC with a RET gene fusion who require systemic therapy and who are radioactive iodine-refractory (if radioactive iodine is appropriate) in 2022. The conditional approvals for NSCLC and MTC have subsequently been converted to traditional approval.

NRDL Coverage

- In December 2025, Retsevmo® (selpercatinib) is newly listed on NRDL for the treatment of: 1) adult patients with locally advanced or metastatic NSCLC with a RET gene fusion; 2) adult and pediatric patients 12 years of age and older with advanced or metastatic MTC with a RET mutation who require systemic therapy; and 3) adult and pediatric patients 12 years of age and older with advanced or metastatic thyroid cancer with a RET gene fusion who require systemic therapy and who are radioactive iodine-refractory. The updated NRDL (2025 version) took effect on 1 January 2026.

Clinical Update

- In February 2026, Lilly announced positive topline results from the Phase 3 LIBRETTO-432 clinical trial of selpercatinib as adjuvant therapy versus placebo. Selpercatinib demonstrated a statistically significant and clinically meaningful improvement in event free survival (EFS) in patients with early-stage RET fusion positive lung cancer.

Jaypirca® (pirtobrutinib): *a non-covalent (reversible) BTK inhibitor owned by Lilly appointed the Company for sole commercialization rights in Mainland China.*

In mainland China, Jaypirca® (pirtobrutinib) is approval for: 1) the treatment of adult patients with relapsed or refractory MCL after at least two types of systemic therapy, including a BTK inhibitor; and 2) for the treatment of adult patients with CLL/SLL after at least one line of systemic therapy including a BTK inhibitor.

Regulatory Action

- In March 2026, Jaypirca® (pirtobrutinib) received approval by the NMPA in China for a new indication for the treatment of adult patients with CLL/SLL after at least one line of systemic therapy including a BTK inhibitor.

Clinical Update

- In December 2025, Lilly announced pirtobrutinib met its primary endpoint in the Phase 3 BRUIN CLL-313 clinical trial. Pirtobrutinib significantly improved progression-free survival, reducing the risk of progression or death by 80%, versus chemoimmunotherapy in patients with treatment-naïve CLL/SLL.

- In December 2025, Lilly announced pirtobrutinib met its primary endpoint in head-to-head Phase 3 BRUIN CLL-314 clinical trial versus Imbruvica (ibrutinib) in patients with CLL/SLL who were treatment-naïve or were BTK inhibitor-naïve.

NRDL Coverage

- In December 2025, Jaypirca® is newly listed in the NRDL for the treatment of adult patients with relapsed or refractory MCL after at least two types of systemic therapy, including a BTK inhibitor. The updated NRDL (2025 version) took effect on 1 January 2026.

TABOSUN® (Ipilimumab N01 injection): *an anti-CTLA-4 monoclonal antibody.*

Approved for the neoadjuvant treatment of colon cancer.

Regulatory Action

- In December 2025, TABOSUN® (Ipilimumab N01 injection) received conditional approval by the NMPA, in combination with sintilimab as neoadjuvant treatment for Stage II/III resectable MSI-H/dMMR colon cancer.

Data Publication

- In October 2025, *Cancer Cell* published the Phase 1b results of sintilimab plus ipilimumab N01 as neoadjuvant treatment in locally advanced MSI-H/dMMR colon cancer.

Commercial Stage Products – General Biomedicine (Selected)

Mazdutide: *Globally the first GLP-1/GCG dual receptor agonist approved for chronic weight management and T2D; and multiple clinical studies ongoing for the treatment of other metabolic chronic diseases.*

The Company entered into an exclusive license agreement with Lilly for the development and commercialization of mazdutide in China in 2019.

Regulatory Actions

- **Obesity or overweight**: In June 2025, mazdutide was approved by the NMPA for chronic weight management in adults with overweight or obesity. In October 2025, mazdutide was approved by the Macau ISAF for the same indication.
- **T2D**: In September 2025, mazdutide was approved by the NMPA for glycemic control in adults with T2D. In January 2026, mazdutide was approved by the Macau ISAF for the same indication.

Clinical Updates

Nine Phase 3 clinical trials of mazdutide are underway, among which five have met study endpoints, and the other four studies are currently ongoing; multiple new studies are initiated or planned.

- **GLORY-1**: A Phase 3 clinical study conducted in Chinese adults with overweight of obesity; the study endpoints were met in January 2024.
- **GLORY-2**: A Phase 3 clinical study conducted in Chinese adults with moderate-to-severe obesity; in the second half of 2025, the study endpoints were met in support of a third NDA acceptance for mazdutide (9mg).
- **GLORY-3**: A Phase 3 clinical study comparing mazdutide versus semaglutide in Chinese adults with overweight or obesity accompanied MAFLD; the first patient was dosed in May 2025.
- **GLORY-OSA**: A Phase 3 trial in Chinese participants with OSA and obesity; the first patient was dosed in June 2025.
- **GLORY-YOUNG**: A Phase 3 study in Chinese adolescents with obesity; the first patient was dosed in December 2025, after the Phase 1 study data readout in this population.

- **GLORY-H**: A Phase 3 study for mazdutide is initiating in 2026 for hypertension with obesity.
- **DREAMS-1**: A Phase 3 clinical study conducted in Chinese patients with T2D inadequately controlled by diet and exercise alone; the study endpoints were met in August 2024.
- **DREAMS-2**: A Phase 3 clinical study conducted in Chinese patients with T2D who have inadequate glycemic control with metformin monotherapy or combination therapy of metformin with other oral drugs; the study endpoints were met in May 2024.
- **DREAMS-3**: A Phase 3 clinical trial comparing mazdutide head-to-head with semaglutide in Chinese T2D patients with obesity; in October 2025, the study endpoints were met, in which mazdutide demonstrated dual-superiority versus semaglutide in weight loss and blood glycemic control.
- **HFpEF with obesity**: A Phase 2 study has been initiated, and the first patient was dosed in April 2025.
- **MASH with overweight/obesity**: A Phase 2 study has been initiated and the first patient dosed in July 2025.

Data Publication

Mazdutide is the only GCG/GLP-1 therapy to reach the top journals of both Nature and NEJM in China, signifying the highest level of international academic recognition for China's drug development and biotech innovation.

- In May 2025, the Phase 3 results of the GLORY-1 study were published in the *NEJM*.
- In June 2025, the Phase 3 results of the DREAMS-1 study were orally presented (Abstract #: 306-OR) at the ADA's 85th Scientific Sessions.
- In June 2025, multiple exploratory MoA analyses of mazdutide (investigator-initiated trials) were showcased at the ADA's 85th Scientific Sessions. The growing body of scientific evidence will further validate mazdutide's differentiated profile as a next-generation GCG/GLP-1 dual receptor agonist, particularly in liver fat and serum urine acid reduction.
- In December 2025, two Phase 3 clinical results (DREAMS-1, DREAMS-2) of mazdutide in Chinese adults with T2D have been back-to-back published in Nature as Accelerated Article Previews (AAP).

SYCUME® (teprotumumab N01 injection): *China's first approved IGF-1R monoclonal antibody.*

Approved and included in the NRDL in China for the treatment of TED.

Regulatory Action

- In March 2025, the NMPA approved SYCUME® (teprotumumab N01 injection) for the treatment of TED. SYCUME® (teprotumumab N01 injection) is the first approved IGF-1R drug in China. In August 2025, mazdutide was approved by the Macau ISAF for the same indication.

Clinical Updates

- In the second half of 2025, a new Phase 3 clinical study of SYCUME® (teprotumumab N01 injection) was initiated for the treatment of TED at inactive stage. Data readout is expected in 2026.
- In 2026, a new Phase 3 clinical study of SYCUME® (teprotumumab N01 injection) is in plan in head-to-head with steroid therapy for the treatment of TED.

PECONDLE® (Picankibart Injection): *China's first approved long-acting anti-IL-23 (p19 subunit) monoclonal antibody*

Regulatory Action

- In November 2025, PECONDLE® (picankibart injection) was approved by the NMPA for the treatment of moderate-to-severe plaque psoriasis.

Clinical Updates

- In May 2025, the first patient was dosed in a Phase 3 clinical study of PECONDLE® (picankibart injection) for the treatment of psoriasis with prior inadequate response to IL-17 biologics, to prove PECONDLE® (picankibart injection)'s therapeutic advantages in this challenging population.
- In December 2025, PECONDLE® (picankibart injection) achieved both primary and key secondary efficacy endpoints in the Phase 3 CLEAR-2 study – a randomized withdrawal and retreatment clinical trial in Chinese participants with moderate-to-severe plaque psoriasis, which underscores picankibart's exceptional long-term stability during maintenance therapy and its outstanding sustained response and reduced relapse risk following treatment discontinuation.
- In the second half of 2025, new studies of picankibart were initiated for the treatment of psoriatic arthritis (PsA) and adolescent psoriasis.

Selected Clinical-Stage Drug Pipeline Candidates – Oncology

IBI363: *a potential first-in-class alpha-biased IL-2 and anti-PD-1 immuno-cytokine; in collaboration with Takeda to co-develop globally and co-commercialize in the U.S. (Takeda R&D code: TAK-928)*

Registrational trials are underway including its first global Phase 3 study in lung cancer, and additional exploration studies are underway or in plan, including first-line NSCLC and first-line CRC, and more solid tumors. IBI363 has shown manageable safety, breakthrough response efficacy and potential survival benefit in Phase 1/2 studies across multiple cancer types, including IO-treated NSCLC, IO-treated/IO-naïve melanoma, and the immunologically "cold" CRC.

Clinical Updates

Registrational/Pivotal studies:

- **IO-naive melanoma**: In 2025, the pivotal Phase 2 study of IBI363 was initiated, in head-to-head comparison with Pembrolizumab in IO-naive mucosal and acral melanoma, with potential data readout in 2026. IBI363 has received BTD by the NMPA for this indication.
- **IO-resistant squamous NSCLC**: In 2025, IBI363 has initiated a global multi-regional, randomized, controlled Phase 3 clinical study (MarsLight-11) for the treatment of IO-resistant squamous NSCLC. The study evaluates the efficacy and safety of IBI363 3mg/kg monotherapy compared with docetaxel for the treatment of patients with advanced squamous NSCLC who have progressed after at least one checkpoint inhibitor. IBI363 has received FTD by the U.S. FDA and BTD by the NMPA for this indication.
- **Third-line CRC**: The Phase 3 clinical study in IBI363 in combination with bevacizumab for the treatment of third-line microsatellite stable (MSS) CRC in China is planned to initiate in 2026.

PoC studies:

- **IO-resistant non-squamous NSCLC**: a Phase 1b/2 clinical study is ongoing for IBI363 for the second-line treatment of non-squamous NSCLC with promising PoC results observed. A new MRCT Phase 3 study in this indication is in plan, subject to PoC results and regulatory communication.
- **First-line treatment of NSCLC**: Phase 1b/2 clinical studies are ongoing for IBI363 in combination with chemotherapy for the first-line treatment of NSCLC, with preliminary data readout in 2026 and continuous trial progression.
- **First-line treatment of CRC**: Phase 1b/2 clinical study is ongoing for IBI363 in combination with standard therapy for the treatment of first-line CRC, with preliminary data readout in 2026 and continuous trial progression.
- **Other solid tumors**: multiple Phase 1 or Phase 2 studies are ongoing and will expand to evaluate IBI363 monotherapy or combination therapy in tumor types.

Data Publication

- Results from the three Phase 1 PoC clinical studies of IBI363 – in IO-resistant melanoma, IO-resistant driver gene wild-type NSCLC and CRC – were orally presented at the 2025 ASCO (Abstract #2502, #104 and #8509). IBI363 shows tolerable safety profiles and breakthrough efficacy in cold tumors, IO-resistant tumor, and PD-L1 low expression subgroup, confirming its unique immune mechanism and strong therapeutic potential as a differentiated next-generation immunotherapy.
- We will continue to update the study results of IBI363 at major international academic conferences in 2026.

***IBI343**: a potential best-in-class recombinant anti-CLDN18.2 monoclonal ADC; collaborated and out-licensed to Takeda for ex-China rights;*

IBI343 has received BTDs by the NMPA for GC and PDAC; FTD by the U.S. FDA for PDAC

Clinical Updates

Registrational studies:

- **Third-line treatment of GC:** During the Reporting Period, a multi-regional Phase 3 study (G-HOPE-001) of IBI343 is ongoing in China and Japan for the third-line treatment of advanced GC. Interim results analysis is expected in 2026.

- **Third-line treatment of PDAC:** In August 2025, the first patient was dosed in a Phase 3 study (G-HOPE-002) of IBI343 for the third-line treatment of PDAC in China. The Centre for Drug Evaluation (CDE) of NMPA granted IBI343 BTD for the same indication in June 2025.

PoC studies:

- **First-line treatment of PDAC**: a Phase 1 clinical study is initiated and ongoing for IBI343 in combination with chemotherapy for the treatment of first-line PDAC.

- **First-line treatment of GC**: a Phase 1 clinical study is initiated and ongoing for IBI343 in combination with chemotherapy for the treatment of first-line GC.

Data Publication

- In June 2025, the Phase 1 updated data of IBI343 in patients with PDAC were orally presented at ASCO 2025 (Abstract# 4017). In patients with CLDN18.2 1+2+3+≥60% expression treated at the 6 mg/kg dose (N=44), the cORR was 22.7% and the DCR was 81.8%. The mPFS was 5.4 months, and the median OS was 9.1 months.

- In July 2025, *Nature Medicine* (IF: 58.7) published the results of the Phase 1 clinical study of IBI343 for the treatment of advanced gastric/gastroesophageal junction (G/GEJ) adenocarcinoma. In patients with CLDN18.2 1+2+3+≥75% expression treated at the 6 mg/kg dose (N=31), the cORR was 32.3% and the DCR was 90.3%. The mPFS was 5.5 months, and OS data was not yet mature, with a current median OS of 10.8 months (95% CI: 6.8-NC) based on the median follow-up of 10.6 months (95% CI: 9.7-11.5).

***IBI354**: a recombinant anti-HER2 monoclonal antibody-camptothecin derivative-conjugate; IBI354 has received BTD by NMPA for PROC and CRC.*

Clinical Updates

Registrational studies:

- **PROC**: In March 2025, the first patient was dosed in a Phase 3 clinical study (HeriCare-Ovarian01) of IBI354 monotherapy in patients with PROC in China. IBI354 also received BTD from the NMPA for this indication.

- **BC**: In February 2026, the first patient was dosed in a Phase 3 clinical study (HeriCare-Breast01) of IBI354 as first-line treatment for patients with unresectable locally advanced or metastatic HER2-positive BC in China.

PoC Studies

- Additional PoC studies in first-line treatment of HER2-low BC, HER2-low CRC, and neoadjuvant or adjuvant treatment of BC, are ongoing or in plan.

Data Publication

- The Phase 1/2 updated data of IBI354 in patients with solid tumors were presented at the 2025 ASCO Congress. IBI354 demonstrated an excellent safety profile and promising efficacy in multiple tumor types including PROC, HER2-low BC and other solid tumors.

***IBI3003**: a GPRC5D/BCMA/CD3 tri-specific antibody developed from proprietary Sanbody® platform; IBI3003 has received FTD by FDA for four or more lines of R/R MM.*

Clinical Updates

- IBI3003 is undergoing multi-regional Phase 1 clinical study in China and Australia with dose-escalation ongoing.
- In 2026, a pivotal study of IBI3003 in China for later line treatment of MM is in plan subject to regulatory communication.
- In 2026, a new PoC study to evaluate IBI3003 combination therapy for the first-line treatment of MM is planned to initiate in China.
- In the U.S., a Phase 1 clinical study is planned to initiate in 2026. In January 2026, IBI3001 received FTD from the U.S. FDA, for the treatment of R/R MM in patients who have received four or more lines of previous anti-myeloma therapies, that include at least a proteasome inhibitor (PI), an immunomodulatory drug (IMiD), and an anti-CD38 monoclonal antibody.

Data Publication

- The initial data of the Phase 1 clinical trial of IBI3003 were orally presented at the 2025 ASH Annual Meeting. IBI3003 demonstrated favorable tolerability and a manageable safety profile. Despite the relatively short follow-up duration, IBI3003 has shown encouraging efficacy signals, particularly in high-risk patients with extramedullary disease (EMD) or those who have previously received anti-BCMA and/or anti-GPRC5D targeted therapies.

***IBI3009**: a potential best-in-class DLL3-targeting ADC in Phase 1; collaborated and out-licensed to Roche for global rights*

- IBI3009 is undergoing a multi-regional Phase 1 study in Australia, China and the U.S..

***IBI3001**: a first-in-class bispecific ADC against B7-H3 and EGFR; option rights for ex-China regions granted to Takeda*

- IBI3001 is undergoing Phase 1 study in multiple solid tumor types.

***IBI3020**: first-in-class dual payload ADC targeting CEACAM5 developed from our proprietary DuetTx® ADC platform*

- IBI3020 is undergoing Phase 1 study with dose-escalation ongoing.

***IBI3014**: a first-in-class bispecific ADC against PD-L1 and TROP2*

- IBI3014 is undergoing Phase 1 study in multiple solid tumor types.

In addition to the above-mentioned programs, a compelling set of novel multi-specific antibodies and ADC programs are undergoing or will enter early-stage studies for difficult-to-treat cancers, such as IBI3005 (EGFR/HER3 ADC), IBI3028 (EGFR/c-met dual payload ADC), and IBI3026 (PD-1/IL-12), etc.

Selected Clinical-Stage Drug Pipeline Candidates – General Biomedicine

***Efdamrofusp alfa**: a potential first-in-class VEGFR-Fc-Human CR1 fusion protein. (R&D code: IBI302)*

Clinical Updates

- A Phase 3 study of 8mg IBI302 (STAR) in the treatment of nAMD met its primary endpoint in March 2026, followed by a potential NDA submission in plan. IBI302 showed potential to deliver consistent visual benefits and anatomical improvements with prolonged treatment interval, along with the trend of reducing the incidence of macular atrophy.
- In May 2025, the Phase 2 study of IBI302 for the treatment of DME is ongoing, comparing IBI302 and Faricimab (VEGF/ANG-2) in this population, with primary data readout anticipated in 2026.

Data Publication

- Results from the Phase 2 study of 6.4mg/8mg IBI302 in the treatment of nAMD were published at the 2025 Association for Research in Vision and Ophthalmology (ARVO) (Presentation #443).

***IBI324**: a potential best-in-class anti VEGF/ANG-2 bispecific antibody; in collaboration with Ollin Bioscience (Ollin R&D code: OLN324)*

Clinical Updates

- In February 2026, our partner Ollin Bioscience announced positive topline data of IBI324 from a head-to-head Phase Ib JADE clinical study versus faricimab (Vabysmo®). IBI324 demonstrated superiority in terms of faster and greater retinal drying in DME and numerically greater BCVA improvements in both DME and wAMD.
- The global multi-regional Phase 3 clinical studies in DME and wAMD are planned to initiate in second half of 2026 subject to regulatory communications.

Data Publication

- In February 2026, our partner Ollin Bioscience presented full results of the JADE study for the first time at the Angiogenesis, Exudation, and Degeneration 2026 symposium.

***Tigulixostat:** a potential best-in-class non-purine XOI; in-licensed from LG Chem for the development and commercialization in China. (R&D code: IBI128)*

Clinical Updates

- In the first half of 2025, we obtained positive Phase 2 results for Tigulixostat in hyperuricemia in patients with gout in China. Tigulixostat demonstrated superior reductions of serum urine acid level and a favorable safety profile compared with Febuxostat.
- In March 2026, first patient was dosed in a Phase 3 study for Tigulixostat in China.

Data Publication

- Results from the Phase 2 study of Tigulixostat in gout patients were published at the 27th Asia-Pacific League of Associations for Rheumatology (APLAR) Congress.

***IBI356**: a potential best-in-class anti-OX40L monoclonal antibody*

Clinical Updates

- Preliminary Phase 1 readout of IBI356 is obtained in moderate-to-severe AD, with encouraging efficacy and good tolerability observed. A Phase 2 study for moderate-to-severe AD is ongoing.

***IBI355**: a potential best-in-class anti-CD40L monoclonal antibody*

Clinical Updates

- Preliminary Phase 1 readout of IBI355 in pSS indicated a favorable safety profile, encouraging efficacy and the potential for monthly dosing intervals.
- Phase 2 study of IBI355 in pSS is planned to initiate in 2026 in China.

***IBI3002**: a first-in-class IL-4Rα/TSLP bispecific antibody*

Clinical Updates

- Preliminary Phase 1 readout of IBI3002 is obtained in asthma, with encouraging efficacy and good tolerability observed.
- IBI3002 is being continuously developed in respiratory and dermatological diseases. A Phase 2 study in atopic dermatitis in China was initiated in the beginning 2026.

***IBI3016**: a siRNA drug candidate targeting AGT; collaborated with SanegeneBio.*

Clinical Updates

- Preliminary Phase 1 readout of IBI3016 is obtained in mild hypertension, with data presented at the AHA Annual Meeting 2025.
- In February 2026, the first patient was dosed in a Phase 2 study of IBI3016 in hypertension in China. We also plan to develop IBI3016 in Japan, subject to regulatory communication.

***IBI3032**: a potentially best-in-class oral GLP-1R small molecule with global proprietary rights*

Clinical Updates

- The Phase 1 clinical studies of IBI3032 are ongoing in China and the U.S. in healthy volunteers and overweight or obese participants with preliminary promising results observed.
- In 2026, Phase 1 results of IBI3032 are expected to readout in support of future development.

***IBI3011**: a recombinant anti-human IL-1RAP monoclonal antibody*

Clinical Updates

- In December 2025, the first patient was successfully dosed in a Phase 1 clinical study of IBI3011 in healthy volunteers and patients with gout flares.

Our next-generation general biomedicine pipeline includes a well-rounded portfolio for diversified medical needs in obesity treatment, metabolic disorders, autoimmune diseases, and eye diseases, aiming to address current challenges such as therapeutic efficacy ceilings, lack of deep and durable efficacy, inconvenience of administration, tolerability issues, and comorbidities. New candidates in IND-enabling stages are represented by novel modalities and creative molecule designs, such as a new generation IBI3046 (INHBE siRNA), IBI3042 (oral weekly GLP-1 small molecule), IBI3012 (GLP-1/GCG/GIP antibody-peptide conjugate) and IBI3030 (PCSK9/GLP-1/GCG/GIP antibody-peptide conjugate).

Financial Review

IFRS Measures:

Year Ended 31 December 2025 Compared to Year Ended 31 December 2024

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers	**13,041,523**	9,421,888
Cost of sales	**(1,756,019)**	(1,510,210)
Gross profit	**11,285,504**	7,911,678
Other income	**560,053**	535,907
Other gains and losses	**(246,848)**	250,000
Research and development expenses	**(2,624,214)**	(2,681,074)
Administrative and other expenses	**(926,984)**	(738,046)
Selling and marketing expenses	**(5,712,907)**	(4,346,892)
Royalties and other related payments	**(1,319,294)**	(901,538)
Share of results of an associate	**(96,788)**	(41,009)
Finance costs	**(79,598)**	(67,647)
Profit/(loss) before tax	**838,924**	(78,621)
Income tax expense	**(25,359)**	(16,010)
Profit/(loss) for the year	**813,565**	(94,631)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Fair value gain on investment in equity instruments at FVTOCI	**–**	60,985
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	**43,498**	(17,039)
Other comprehensive income for the year, net of income tax	**43,498**	43,946
Total comprehensive income/(expense) for the year	**857,063**	(50,685)

1. Revenue

For the year ended 31 December 2025, the Group generated revenue from contracts with customers of RMB13,041.5 million. The Group generated revenue from (i) sales of pharmaceutical products; (ii) license fee income; and (iii) R&D service fee income. The following table sets forth the components of the revenue from contracts with customers for the years presented:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from contracts with customers:		
Sales of pharmaceutical products	**11,895,929**	8,227,869
License fee income	**957,301**	1,100,236
R&D service fee income	**188,293**	93,783
Total revenue from contracts with customers	**13,041,523**	9,421,888

For the year ended 31 December 2025, the Group recorded revenue from sales of pharmaceutical products of RMB11,895.9 million, as compared with RMB8,227.9 million for the year ended 31 December 2024.

The Group entered into collaboration and other agreements to provide licenses to customers. Upfront payment, milestone payments, royalties, as well as share of profits generated are recorded in license fee income directly or in contract liabilities. The portion recorded in contract liability will be transferred to license fee income over time on a systematic basis that is consistent with the customer receives and consumes the benefits.

For the year ended 31 December 2025, the Group recorded license fee income of RMB957.3 million, as compared with RMB1,100.2 million for the year ended 31 December 2024. Of this amount, RMB550.3 million was recognized under an exclusive license and collaboration agreement with Roche. In the year of 2025, the Group entered into a global strategic collaboration with Takeda and received US$1,100 million cash upfront and a US$100 million equity investment subscribed at a 20% premium to the 30-day weighted average closing price of the Group's share price. Consideration received has been recognized as contract liabilities as of 31 December 2025 and will be recorded as license fee income in subsequent years upon satisfaction of performance obligations.

2. Cost of Sales

The Group's cost of sales consists of cost of raw material, direct labor, manufacturing overhead, depreciation and amortization related to the production of the products sold, as well as amortization of intangibles and charges for impairment of inventory and intangibles. During the year ended 31 December 2025, the Group recorded cost of sales of RMB1,756.0 million, as compared with RMB1,510.2 million for the year ended 31 December 2024.

3. Other Income

The Group's other income primarily consists of interest income and subsidized grants. Subsidized grants consist of (i) subsidized grants specifically for the capital expenditure related to the purchase of plant and machinery, which is recognised over the useful life of related assets; (ii) incentive and subsidies for R&D activities and others, which are recognised upon compliance with certain conditions; and (iii) incentive which has no specific conditions attached to the grants.

For the years ended 31 December 2025 and 2024, other income of the Group were RMB560.1 million and RMB535.9 million, respectively.

4. Other Gains and Losses

The Group's other gains and losses primarily consist of (i) changes in foreign currency exchange rates; (ii) fair value changes of other financial assets and liabilities (financial assets and liabilities measured at FVTPL); and (iii) gains or losses on disposal of property, plant and equipment.

For the year ended 31 December 2025, other gains and losses of the Group were a loss of RMB246.8 million, as compared with a gain of RMB250.0 million for the year ended 31 December 2024, primarily impacted by change in foreign currency exchange rates. The net foreign exchange gains or losses were non-cash in nature and a loss of RMB246.8 million and a gain of RMB130.3 million were recorded for the year ended 31 December 2025 and 2024, respectively.

5. R&D Expenses

The Group's R&D expenses incurred in performing research and development activities, including but not limited to third-party contracting cost, clinical trial expenses, raw material cost, compensation and benefits, depreciation and amortisation, payments under collaboration and other agreements incurred prior to regulatory filing or approval, and impairment charges of intangible assets.

For the years ended 31 December 2025 and 31 December 2024, the Group incurred R&D expenses of RMB2,624.2 million and RMB2,681.1 million, respectively.

6. Administrative and Other Expenses

For the year ended 31 December 2025, administrative and other expenses of the Group were RMB927.0 million, as compared with RMB738.0 million for the year ended 31 December 2024. The Group continues to improve the operating leverage, as well as benefiting from the fast ramp-up revenue, the ratio of administrative and other expenses to total revenue decreased by 0.7 percentage points from 7.8% for the year ended 31 December 2024 to 7.1% for year ended 31 December 2025.

7. Selling and Marketing Expenses

Selling and marketing expenses represent staff costs for selling and marketing personnel and related expenses of marketing and promotion activities.

Selling and marketing expenses were RMB5,712.9 million for the year ended 31 December 2025, as compared with RMB4,346.9 million for the year ended 31 December 2024. The Group has devoted continuous efforts in enhancing productivity and efficiency under a healthy and sustainable operation model, which could further support the Group's sustainable growth.

8. Royalties and Other Related Payments

Royalties and other related payments were RMB1,319.3 million for the year ended 31 December 2025, as compared with RMB901.5 million for the year ended 31 December 2024. This represents the royalties, sales-based milestones, profit sharing, as well as other related payments to the third parties for various co-development and in-licensing products during the commercialization stage.

9. Income Tax Expense

Income tax expense was RMB25.4 million for the year ended 31 December 2025, compared to RMB16.0 million for the year ended 31 December 2024.

10. Non-IFRS Measures

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Group also uses Non-IFRS profit, Non-IFRS EBITDA, Non-IFRS gross profit, Non-IFRS R&D expenses, Non-IFRS administrative and other expenses, Non-IFRS selling and marketing expenses and other Non-IFRS figures as additional financial measures, which are not required by, or presented in accordance with, the IFRS. The use of these Non-IFRS measures have limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under the IFRS. The Group's presentation of such Non-IFRS figure may not be comparable to a similarly titled measure presented by other companies. However, the Group believes that these Non-IFRS measures are reflections of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from period to period and Group to Group to the extent applicable.

The table below sets forth a reconciliation of the profit/(loss) to Non-IFRS profit for the years:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit/(loss) for the year	**813,565**	(94,631)
Added:		
Share-based compensation expenses	**662,696**	556,521
Net foreign exchange losses/(gains)	**246,829**	(130,279)
Non-IFRS profit for the year	**1,723,090**	331,611

The table below sets forth a reconciliation of the profit/(loss) to Non-IFRS EBITDA for the years:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Profit/(loss) for the year	**813,565**	(94,631)
Added:		
Interest income	**(438,686)**	(423,454)
Finance costs	**79,598**	67,647
Depreciation and amortization[1]	**601,317**	419,768
Income tax expense	**25,359**	16,010
Share-based compensation expenses	**662,696**	556,521
Net foreign exchange losses/(gains)	**246,829**	(130,279)
Non-IFRS EBITDA for the year	**1,990,678**	411,582

The table below sets forth a reconciliation of the gross profit to Non-IFRS gross profit for the years:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Gross profit	**11,285,504**	7,911,678
Added:		
Share-based compensation expenses	**87,273**	90,093
Non-IFRS gross profit	**11,372,777**	8,001,771

[1] Includes depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets.

The table below sets forth a reconciliation of the R&D expenses to Non-IFRS R&D expenses for the years:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
R&D expenses	**(2,624,214)**	(2,681,074)
Added:		
Share-based compensation expenses	**197,945**	181,281
Non-IFRS R&D expenses	**(2,426,269)**	(2,499,793)

The table below sets forth a reconciliation of the administrative and other expenses to Non-IFRS administrative and other expenses for the years:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Administrative and other expenses	**(926,984)**	(738,046)
Added:		
Share-based compensation expenses	**288,737**	222,626
Non-IFRS administrative and other expenses	**(638,247)**	(515,420)

The table below sets forth a reconciliation of the selling and marketing expenses to Non-IFRS selling and marketing expenses for the years:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Selling and marketing expenses	**(5,712,907)**	(4,346,892)
Added:		
Share-based compensation expenses	**88,741**	62,521
Non-IFRS selling and marketing expenses	**(5,624,166)**	(4,284,371)

Selected Data from Statement of Financial Position

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Total current assets	**22,013,335**	10,272,837
Total non-current assets	**15,334,504**	11,329,765
Total assets	**37,347,839**	21,602,602
Total current liabilities	**8,386,565**	4,368,869
Total non-current liabilities	**9,605,031**	4,116,004
Total liabilities	**17,991,596**	8,484,873
Net current assets	**13,626,770**	5,903,968

11. Liquidity and Source of Funding and Borrowing

For the years ended 31 December 2025 and 2024, the Group's bank balances and cash, term deposits and other deposits, structured products and investment notes in other financial assets were RMB24,346.1 million and RMB10,221.1 million, respectively.

As at 31 December 2025, the current assets of the Group were RMB22,013 million, including bank balances and cash of RMB17,345 million. As at 31 December 2025, the current liabilities of the Group were RMB8,386 million, including trade and bills payables of RMB495 million, other payables and accrued expenses of RMB4,780 million, contract liabilities of RMB2,312 million, borrowings of RMB789 million and lease liabilities of RMB11 million.

As at 31 December 2025, the Group had available unutilised long-term bank loan facilities of approximately RMB1,962.1 million.

12. Key Financial Ratios

The following table sets forth the key financial ratios for the dates indicated:

	As at 31 December 2025	As at 31 December 2024
Current ratio[1]	**2.6**	2.4
Quick ratio[2]	**2.5**	2.2
Gearing ratio[3]	**NM[4]**	NM[4]

Notes:

(1) Current ratio is calculated using current assets divided by current liabilities as of the same date.

(2) Quick ratio is calculated using current assets less inventories and divided by current liabilities as of the same date.

(3) Gearing ratio is calculated using interest-bearing borrowings less cash and cash equivalents divided by total equity and multiplied by 100%.

(4) Gearing ratio is not meaningful as our interest-bearing borrowings less cash equivalents was negative.

13. Significant Investments

The Group did not hold any significant investments (including any investment in an investee company with a value of 5% or more of the Group's total assets as of 31 December 2025) during the year ended 31 December 2025.

14. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies for the year ended 31 December 2025.

15. Future Plans for Material Investments or Capital Assets

As at 31 December 2025, the Group did not have detailed future plans for material investments or capital assets.

16. Pledge of Assets

As at 31 December 2025, the Group had a total of RMB1,624 million of property, plant and equipment, RMB218 million of land use rights to secure its loans and banking facilities.

17. Contingent Liabilities

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

18. Foreign Exchange Exposure

During the year ended 31 December 2025, a majority of the Group's transactions were settled in Renminbi (RMB), the functional currency of the Company's primary subsidiaries. As at 31 December 2025, a significant amount of the Company's bank balances and cash was denominated in U.S. dollars. Except for certain bank balances and cash, other receivables, and trade and other payables denominated in foreign currencies, the Company did not have significant foreign currency exposure from its operations as at 31 December 2025.

Report of Directors

The Board is pleased to present this report of Directors together with the consolidated financial statements of the Group for the year ended 31 December 2025.

Directors

The Directors who held office during the year ended 31 December 2025 and up to the Latest Practicable Date are:

Executive Directors:

Dr. De-Chao Michael Yu *(Chairman of the Board and Chief Executive Officer)*
Mr. Ronald Hao Xi Ede
Ms. Qian Zhang

Independent Non-Executive Directors:

Dr. Charles Leland Cooney
Ms. Joyce I-Yin Hsu
Mr. Gary Zieziula
Dr. Shun Lu
Mr. Shuyun Chen *(Lead Independent Non-executive Director)*
Dr. Stephen A. Sherwin *(appointed on 26 August 2025)*

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 80 to 86 of this annual report.

General Information

The Company was incorporated in the Cayman Islands on 28 April 2011 as an exempted limited liability company under the Companies Law, Cap 22 (Law 3 of 1961, as amended or supplemented from time to time) of the Cayman Islands. The Company's Shares were listed on the Main Board of the Stock Exchange on 31 October 2018.

Principal Activities

The Company's mission is to empower patients worldwide with affordable, high-quality biopharmaceuticals. The Group was founded in 2011 by Dr. De-Chao Michael Yu, a highly accomplished scientist, innovator and entrepreneur. The Company is committed to innovation in drug development and have complied with global quality standards for every aspect of the Company's business and operations.

To capitalise on the tremendous market opportunity both in China and beyond, the Group has developed a fully-integrated multi-functional platform consisting of advanced research, discovery, development, CMC and commercialisation capabilities. These capabilities have enabled the Group to build a robust pipeline of innovative and commercially promising monoclonal antibodies and other drug assets in the fields of cancer, CVM, autoimmune, and eye diseases. The full integration of our platform enables smooth collaboration between different functional groups at key points in the lifecycle of a drug candidate with the aim of increasing both the speed of development and the likelihood of success while at the same time reducing the cost of development.

Results

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 112 of this annual report.

Business Review

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance, including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this report. All the review, discussions and analysis mentioned above form part of this report. Events affecting the Company that have occurred since the end of the financial year is set out in the sections headed "Major Milestones and Achievements during the Reporting Period and Post-Reporting Period (Expected)" under "Management Discussion and Analysis" and "Important Events after the Reporting Period" in this annual report. An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company is set out in the "Environmental, Social and Governance Report" to be published on the same day with this annual report.

Principal Risks and Uncertainties

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

- its ability to develop and commercialise its drug candidates, especially those in pre-clinical or clinical development;
- its ability to identify additional drug candidates;
- tariffs and geopolitics;
- its success in demonstrating safety and efficacy of its drug candidates to the satisfaction of regulatory authorities or produce positive results in its clinical trials;
- material aspects of the research, development and commercialisation of pharmaceutical products being heavily regulated;
- lengthy, time-consuming and inherently unpredictable regulatory approval processes of the regulatory authorities for its drug candidates;
- competition in the pharmaceutical industry where the Group serves; and
- its ability to obtain and maintain patent protection for its drug candidates.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares.

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 more details, please refer to the Company's 2025 ESG Report.

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 year ended 31 December 2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

Employees and Remuneration Policies

As at 31 December 2025, the Group had a total of 7,502 (as at 31 December 2024: 5,659) employees, including around 1,200 people from R&D, over 1,100 from CMC, and over 4,800 from selling and marketing. The remuneration policy and package of the Company's employees are periodically reviewed. The remuneration package comprises salaries, bonuses, employees provident fund and social security contributions, other welfare payments and share-based payment expenses. The packages were set by benchmarking with companies in similar industries and in accordance with employees' educational backgrounds, experience and performance. In accordance with applicable Chinese laws, the Company has made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for the Company's employees. The Company also provided external and internal training programs to our employees.

The Company also adopted the Pre-IPO Plan, the Post-IPO ESOP, the 2018 RS Plan, the 2020 RS Plan and the 2024 Share Scheme to provide incentives for the Company's employees. Please refer to the section headed "Statutory and General Information – D. Equity Plan" in Appendix IV to the prospectus of the Company dated 18 October 2018 for further details of the Pre-IPO Plan, the Post-IPO ESOP and the 2018 RS Plan, the circular of the Company dated 28 May 2020 for further details of the 2020 RS Plan, the termination of the 2018 RS Plan, and the circular of the Company dated 4 June 2024 for further details of the 2024 Share Scheme and the termination of the Post-IPO ESOP and the 2020 RS Plan.

The total remuneration cost incurred by the Group for the year ended 31 December 2025 was RMB3,427.0 million, as compared with RMB2,913.5 million for the year ended 31 December 2024.

During the year ended 31 December 2025, the Group did not experience any significant labor disputes or any difficulty in recruiting employees.

Major Customers and Suppliers

Major Customers

During the year ended 31 December 2025, the Group derived all of its revenues from (i) sales of pharmaceutical products; (ii) license fee income; and (iii) R&D service fee income. For the year ended 31 December 2025, revenue from the five largest customers accounted for 48.5% (2024: 59.9%) of the Group's total revenue and the Group's largest customer for the year ended 31 December 2025 accounted for approximately 35.8% (2024: 45.2%) of the Group's total revenue amount for the same year.

None of the Directors, their respective close associates, or any shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest customers.

Major Suppliers

Our major suppliers include (i) third-party developers of human antibody discovery platforms; (ii) several reputable third-party suppliers of cell culture media; and (iii) contract research organisations and consultants that manage, conduct and support our clinical trials and preclinical studies globally. For the year ended 31 December 2025, purchases from the Group's five largest suppliers accounted for approximately 48.5% (2024: 50.9%) of the Group's total purchase amount in the same year. The Group's largest supplier for the year ended 31 December 2025 accounted for approximately 18.8% (2024: 20.6%) of the Group's total purchase amount for the same year.

None of the Directors, their respective close associates, or any shareholder of the Company who, to the knowledge of the Directors, owns more than 5% of the Company's issued capital, has any interest in any of the Group's five largest suppliers.

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

Financial Summary

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on pages 224 to 225 of this annual report. This summary does not form part of the audited consolidated financial statements.

Pre-emptive Rights

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

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 securities.

Subsidiaries

Particulars of the Company's subsidiaries are set out in Note 17 to the consolidated financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2025 are set out in Note 14 to the consolidated financial statements.

Share Capital and Shares Issued

Details of movements in the share capital of the Company for the year ended 31 December 2025 and details of the Shares issued during the year ended 31 December 2025 are set out in Note 32 to the consolidated financial statements.

Donation

During the year ended 31 December 2025, the Group made charitable donations of approximately RMB150.3 million (2024: approximately RMB204.6 million).

Debenture Issued

The Group did not issue any debenture during the year ended 31 December 2025.

Equity-linked Agreements

Save for the Pre-IPO Share Incentive Plan, the Post-IPO ESOP, the 2018 RS Plan, the 2020 RS Plan, the 2024 Share Scheme and the Subscription Agreement as set out in this annual report, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2025.

Dividends

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

Permitted Indemnity

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices.

Such permitted indemnity provision has been in force for the year ended 31 December 2025. The Company has taken out liability insurance to provide appropriate coverage for the Directors.

Distributable Reserves

The Company may pay dividends out of the share premium account, retained earnings and any other reserves provided that immediately following the payment of such dividends, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

As at 31 December 2025, the Company had distributable reserves for share premium of RMB32,899,338,000 (2024: RMB27,722,624,000).

Details of movements in the reserves of the Group and the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on page 115 and in Note 39 to the consolidated financial statements, respectively.

Bank Loans and Other Borrowings

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in the section headed "Management Discussion and Analysis" in this annual report and Note 28 to the consolidated financial statements.

Directors' Service Contracts

Dr. Stephen A. Sherwin has been appointed as an independent non-executive Director on 26 August 2025.

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years with effect from the date of their service contracts, subject to renewal after the expiry of the then current term.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years since the commencement date of his/her appointment letter, subject to renewal after the expiry of the then current term.

The above appointments are always subject to the provisions of retirement and rotation of directors under the Articles of Association and the Corporate Governance Code.

None of the Directors proposed for re-election at the forthcoming AGM has a service contract with members of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Save as disclosed in the Note 35A to the consolidated financial statements, none of the Directors nor any entity connected with the Directors 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 year ended 31 December 2025.

Contracts with Controlling Shareholders

The Company has no Controlling Shareholders during the year ended 31 December 2025.

Management Contracts

No contract, concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 December 2025.

Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

As at 31 December 2025, the interests and short positions of the Directors or chief executives of our Company in any of the Shares, underlying Shares and debentures of our Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as contained in Appendix C3 to the Listing Rules were as follows:

Name of Director	Capacity/Nature of interest	Number of shares/ underlying shares	Approximate percentage of holding[1]	Long position/ Short position
Dr. Yu	Beneficial owner	109,273,403[2]	6.30%	Long position
		371,747[3]	0.02%	Short position
	Grantor of a trust	8,000,000[4]	0.46%	Long position
	Founder of a discretionary trust who can influence how the trustee exercises his discretion	12,422,595[5]	0.72%	Long position
Ms. Qian Zhang ("**Ms. Zhang**")	Beneficial owner	6,812,329[6]	0.39%	Long position
Mr. Ronald Hao Xi Ede ("**Mr. Ede**")	Beneficial owner	9,317,975[7]	0.54%	Long position
Dr. Charles Leland Cooney ("**Dr. Cooney**")	Beneficial owner	166,198[8]	0.01%	Long position
Ms. Joyce I-Yin Hsu ("**Ms. Hsu**")	Beneficial owner	127,108[9]	0.01%	Long position
Mr. Gary Zieziula ("**Mr. Zieziula**")	Beneficial owner	473,791[10]	0.03%	Long position
Mr. Shuyun Chen ("**Mr. Nick Chen**")	Beneficial owner	43,028[11]	0.00%	Long position
Dr. Stephen A. Sherwin ("**Dr. Sherwin**")	Beneficial owner	6,900[12]	0.00%	Long position

Notes:

1. The calculation is based on the total number of 1,734,623,465 Shares in issue as at 31 December 2025.

2. Includes (i) 88,658,430 Shares held directly by Dr. Yu; (ii) Dr. Yu's entitlement to receive up to 12,168,889 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Dr. Yu's entitlement to the aggregate of 8,446,084 Shares underlying Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

3. These Shares are in connection with a donation agreement entered into by Dr. Yu, pursuant to which he agreed to sell HK$10,000,000 worth of his Shares (approximately 371,747 Shares based on the closing price of HK$26.90 on 27 December 2019, the closest trading day to the date of the agreement) and to transfer the proceeds remaining (after tax and relevant fees) to the beneficiary. Such date of transfer shall be extended to a date as agreed by the parties.

4. These Shares are held by Gloria Bingqinzi Yu and Catherine Tong Yu as co-trustees of Yu Tong Family Irrevocable Trust, of which Dr. Yu and his spouse are the grantors. Under the SFO, Dr. Yu is deemed to be interested in these Shares.

5. These Shares are held by The Bryn Mawr Trust Company of Delaware as trustee of (i) Madrone Grove Dynasty Trust; and (ii) Jenelope Dynasty Trust, of which Dr. Yu and his spouse are the grantors. Under the SFO, Dr. Yu is deemed to be interested in these Shares.

6. Includes (i) 794,977 Shares held directly by Ms. Zhang; (ii) Ms. Zhang's entitlement to receive up to 3,694,191 Shares pursuant to the exercise of options granted to her, subject to the conditions of these options; and (iii) Ms. Zhang's entitlement to the aggregate of 2,323,161 Shares underlying Restricted Shares granted to her, subject to the conditions of these underlying Restricted Shares.

7. Includes (i) 3,716,099 Shares held directly by Mr. Ede; (ii) Mr. Ede's entitlement to receive up to 3,278,715 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Mr. Ede's entitlement to the aggregate of 2,323,161 Shares underlying Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

8. Includes (i) 56,393 Shares held directly by Dr. Cooney; (ii) Dr. Cooney's entitlement to receive up to 84,634 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Dr. Cooney's entitlement to the aggregate of 25,171 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

9. Includes (i) 17,303 Shares held directly by Ms. Hsu; (ii) Ms. Hsu's entitlement to receive up to 84,634 Shares pursuant to the exercise of options granted to her, subject to the conditions of these options; and (iii) Ms. Hsu's entitlement to the aggregate of 25,171 Shares underlying the Restricted Shares granted to her, subject to the conditions of these underlying Restricted Shares.

10. Includes (i) 48,308 Shares held directly by Mr. Zieziula; (ii) Mr. Zieziula's entitlement to receive up to 316,406 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Mr. Zieziula's entitlement to the aggregate of 109,077 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

11. Includes (i) 14,183 Shares held directly by Mr. Nick Chen; (ii) Mr. Nick Chen's entitlement to receive up to 8,355 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (iii) Mr. Nick Chen's entitlement to the aggregate of 20,490 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

12. Includes (i) Dr. Sherwin's entitlement to receive up to 1,800 Shares pursuant to the exercise of options granted to him, subject to the conditions of these options; and (ii) Dr. Sherwin's entitlement to the aggregate of 5,100 Shares underlying the Restricted Shares granted to him, subject to the conditions of these underlying Restricted Shares.

Save as disclosed above, as at 31 December 2025, none of the Directors 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.

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 31 December 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[1]	Long position/ Short position/ Lending pool
BlackRock, Inc.[2] ("**BlackRock**")	Interest in a controlled corporation	99,203,489	5.72%	Long position
		537,000	0.03%	Short position

Notes:

1. The calculation is based on the total number of 1,734,623,465 Shares in issue as at 31 December 2025.

2. BlackRock was interested in a total of 99,203,489 Shares (long position) and 537,000 Shares (short position). According to the disclosure of interest notice filed by BlackRock, Inc. with a relevant event date of 9 December 2025, such Shares were held by BlackRock indirectly through its wholly-owned subsidiaries. Among them, 2,418,500 Shares (long position) and 537,000 Shares (short position) were held through cash settled unlisted derivatives.

Save as disclosed above, as at the date 31 December 2025, no persons other than the Directors or chief executives of the Company whose interests are set out in the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations" above had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

Equity Plans

The Company has five existing share schemes, namely the Pre-IPO Share Incentive Plan (terminated on 9 May 2022), the Post-IPO ESOP (terminated on 21 June 2024), the 2018 RS Plan (terminated on 12 June 2020), the 2020 RS Plan (terminated on 21 June 2024) and the 2024 Share Scheme (adopted on 21 June 2024).

28,081,045 new Shares, representing approximately 1.67% of the weighted average of issued share capital of the Company (excluding treasury shares (as defined under the Listing Rules)), may be issued in respect of all options and awards granted during the Reporting Period to eligible participants pursuant to the 2024 Share Scheme.

Further details and relevant breakdowns of each of the share schemes of the Company are set out below:

1. Pre-IPO Share Incentive Plan

The term of the Pre-IPO Share Incentive Plan has expired on 9 May 2022 and the Pre-IPO Share Incentive Plan has been terminated.

Purpose

The purpose of the Pre-IPO Share Incentive Plan is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of award recipients with those of the Company's shareholders generally.

Eligible Participants

Those eligible to participate in the Pre-IPO Share Incentive Plan include employees, advisers or consultants, all members of the Board and other individuals, as determined, authorised and approved by the Board or a committee authorised by the Board.

Maximum Number of Shares Available for Grant and Issue under the Pre-IPO Share Incentive Plan

The overall limit on the number of underlying shares which were delivered and may be delivered pursuant to awards granted under the Pre-IPO Share Incentive Plan is 165,476,820 Shares, subject to any adjustments for other dilutive issuances.

No further awards would be granted under the Pre-IPO Share Incentive Plan after listing.

Given that no further awards would be granted under the Pre-IPO Share Incentive Plan, the outstanding number of options would be equivalent to the maximum number of Shares available for issue under the Pre-IPO Share Incentive Plan. As at 1 January 2025 and 31 December 2025, the aggregate number of underlying Shares pursuant to the outstanding options granted under the Pre-IPO Share Incentive Plan were 12,751,844 and 8,732,094 Shares, respectively. Details of the Pre-IPO Share Incentive Plan are set out in Note 33 to the consolidated financial statements.

Maximum Entitlement for Each Participant

There is no specific limit on the maximum number of shares which may be granted to a single eligible participant under the Pre-IPO Share Incentive Plan.

Vesting Period

The vesting criteria and conditions, and the vesting date are specified in the award agreement. Details of the vesting period of individual grants are stated in the table below.

Consideration

No consideration is required to be paid by the grantees for the grant of awards under the Pre-IPO Share Incentive Plan.

Exercise Price

The exercise price of an option may be a fixed price based on the par value of an ordinary share of the Company or variable price related to the fair market value of an ordinary share of the Company. The exercise price of all the options and share awards granted under the Pre-IPO Share Incentive Plan is between US$0.017 and US$1.342.

Remaining Life of the Pre-IPO Share Incentive Plan

The Pre-IPO Share Incentive Plan commenced on 10 May 2012 (the "**Effective Date**") and terminated at the close of business on the day before the 10th anniversary of the Effective Date. Given that the term of the Pre-IPO Share Incentive Plan has expired on 9 May 2022, the Pre-IPO Share Incentive Plan has been terminated.

After the termination of the Pre-IPO Share Incentive Plan either upon such stated expiration date or its earlier termination by the Board, no additional awards may be granted, but previously granted awards (and the authority of the Administrator with respect thereto, including the authority to amend such awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of the Pre-IPO Share Incentive Plan.

Further details of the Pre-IPO Share Incentive Plan are set out in the Prospectus and Note 33 to the financial statements.

Outstanding Share options and share awards

The table below shows details of the outstanding share options granted to all grantees under the Pre-IPO Share Incentive Plan as of 31 December 2025. No options and/or share awards were granted since the Listing. For further details on the movement of the options during the Reporting Period, please see Note 33 to the consolidated financial statements.

No options have been granted to connected persons of the Company (including directors of the company and the senior management) under the Pre-IPO Share Incentive Plan which are outstanding.

Details of the movements of the options granted under the Pre-IPO Share Incentive Plan (which involves issuing new Shares) during the Reporting Period are as follows:

					Number of options					
Name or category of grantee	Date of grant	Exercise period	Vesting period	Exercise price	Outstanding as at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Weighted average closing price immediately before the exercise date during the Reporting Period
Director										
Ms. Qian Zhang	Between 14 April 2017 and 9 October 2018	10 years from the date of grant	4 years from the date of grant	Between US$0.198 and US$0.2952	775,000	-	-	-	775,000	N/A
Service Providers in aggregate	Between 10 May 2012 and 13 July 2018	10 years from the date of grant	4 years from the date of grant	Between US$0.017 and US$0.212	1,690,000	(1,530,000)	-	-	160,000	HK$74.59
Employee Participants in aggregate[1]	Between 10 May 2012 and 9 October 2018	10 years from the date of grant	4 years to 6 years from the date of grant	Between US$0.017 and US$1.342	10,286,844	(2,489,750)	-	-	7,797,094	HK$15.84
Total					12,751,844	(4,019,750)	-	-	8,732,094	

Notes:

1. Other than the Director disclosed above on individual basis.

2. The exercise price in respect of the options exercised during the Reporting Period was US$0.017, US$0.035, US$0.11, US$0.198, US$0.212 and US$0.2952, respectively.

2. Post-IPO ESOP

The Post-IPO ESOP was terminated on 21 June 2024.

Purpose

The purpose of the Post-IPO ESOP is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and Shareholders as a whole. The Post-IPO ESOP will provide our Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to selected participants.

Eligible Participants

Any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to our Group.

Maximum Number of Shares Available for Grant and Issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO ESOP and any other schemes is 111,815,071, being no more than 10% of the Shares in issue on the date the Shares commenced trading on the Stock Exchange. The overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO ESOP and any other share option schemes of the Company at any time must not exceed 30% of the Shares in issue from time to time.

Given that no further options would be granted under the Post-IPO ESOP after its termination, the outstanding number of options would be equivalent to the maximum number of Shares available for issue under the Post-IPO ESOP. It follows that, as of 31 December 2025 and the Latest Practicable Date, the total number of outstanding options was 45,121,970 Shares and 44,447,060 Shares (representing approximately 2.6% of the issued share capital of the Company as at the Latest Practicable Date), respectively. Further details of the Post-IPO ESOP are set out in the Prospectus and Note 33 to the financial statements.

Maximum Entitlement of Each Participant

Unless approved by Shareholders in a general meeting, the maximum number of Shares underlying the options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue for the time being.

Option Period

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to the Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

Vesting Period

An offer shall be made to selected participants by a letter in duplicate which specifies the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part, and may include at the discretion of the Board or its delegate(s) such other terms either on a case basis or generally.

Consideration

An amount of HK$1.00 must be paid as consideration for the grant of the share options and such payment must be made within 20 business days from the date the share option grant offer is made to the grantee.

Exercise Price

Pursuant to the Post-IPO ESOP, the participants may subscribe for the Shares on the exercise of an option at the price determined by the Board provided that it shall be at least the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

Remaining Life of the Post-IPO ESOP

The Post-IPO ESOP was terminated in its entirety on 21 June 2024, the adoption date of the 2024 Share Scheme. Nonetheless, after such termination, no further options shall be offered or granted under the Post-IPO ESOP, but in all other respects the provisions of the Post-IPO ESOP shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the rules of the Post-IPO ESOP.

Further details of the Post-IPO ESOP are set out in the Prospectus.

Outstanding options

Details of the movements of the options granted under the Post-IPO ESOP during the Reporting Period are as follows:

					Number of options					
Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Outstanding as at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Weighted average closing price immediately before the exercise date during the Reporting Period
Directors										
Dr. De-Chao Michael Yu	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	4,142,857	–	–	–	4,142,857	N/A
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	2,071,429	–	–	–	2,071,429	N/A
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	1,035,714	–	–	–	1,035,714	N/A
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	1,354,889	–	–	–	1,354,889	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	HK$38.39	1,620,000	–	–	–	1,620,000	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	HK$40.24	972,000	–	–	–	972,000	N/A
Mr. Ronald Hao Xi Ede	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	952,381	–	–	–	952,381	N/A
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	635,714	–	–	–	635,714	N/A
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	342,857	–	–	–	342,857	N/A
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	373,763	–	–	–	373,763	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026 and 25% shall vest on 30 March 2027	HK$38.39	440,000	–	–	–	440,000	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027 and 25% shall vest on 22 March 2028	HK$40.24	267,000	–	–	–	267,000	N/A

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options					Weighted average closing price immediately before the exercise date during the Reporting Period
					Outstanding as at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	
Ms. Qian Zhang	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	542,857	–	–	–	542,857	N/A
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	685,714	–	–	–	685,714	N/A
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	342,857	–	–	–	342,857	N/A
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	373,763	–	–	–	373,763	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026 and 25% shall vest on 30 March 2027	HK$38.39	440,000	–	–	–	440,000	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027 and 25% shall vest on 22 March 2028	HK$40.24	267,000	–	–	–	267,000	N/A
Dr. Charles Leland Cooney	30 March 2022	10 years from the date of grant	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	HK$30.60	38,628	–	–	–	38,628	N/A
	30 March 2023	10 years from the date of grant	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	HK$38.39	35,966	–	–	–	35,966	N/A
	22 March 2024	10 years from the date of grant	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	HK$40.24	5,056	–	–	–	5,056	N/A

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options					Weighted average closing price immediately before the exercise date during the Reporting Period
					Outstanding as at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	
Ms. Joyce I-Yin Hsu	30 March 2022	10 years from the date of grant	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	HK$30.60	38,628	–	–	–	38,628	N/A
	30 March 2023	10 years from the date of grant	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	HK$38.39	35,966	–	–	–	35,966	N/A
	22 March 2024	10 years from the date of grant	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	HK$40.24	5,056	–	–	–	5,056	N/A
Mr. Gary Zieziula	1 June 2022	10 years from the date of grant	33.33% shall vest on 1 June 2023; 33.33% shall vest on 1 June 2024; and 33.33% shall vest on 1 June 2025	HK$24.30	117,045	–	–	–	117,045	N/A
	30 March 2023	10 years from the date of grant	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	HK$38.39	155,854	–	–	–	155,854	N/A
	22 March 2024	10 years from the date of grant	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	HK$40.24	21,910	–	–	–	21,910	N/A
Mr. Shuyun Chen	3 May 2024	10 years from the date of grant	33.33% shall vest on 3 May 2025; 33.33% shall vest on 3 May 2026; and 33.33% shall vest on 3 May 2027	HK$40.90	3,371	–	–	–	3,371	N/A

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options					Weighted average closing price immediately before the exercise date during the Reporting Period
					Outstanding as at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	
Service Providers in aggregate	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	100,000	(1,500)	–	–	98,500	HK$86.88
	9 December 2022	10 years from the date of grant	75% shall vest on 9 December 2025; and 25% shall vest on 9 December 2026	HK$32.25	800,000	–	–	(221,370)	578,630	N/A
Employee Participants in aggregate[1]	15 March 2019	10 years from the date of grant	75% shall vest on 15 March 2022; and 25% shall vest on 15 March 2023	HK$28.30	2,205,901	(702,827)	–	–	1,503,074	HK$66.95
	14 June 2019	10 years from the date of grant	75% shall vest on 14 June 2022; and 25% shall vest on 14 June 2023	HK$26.25	84,285	(62,857)	–	–	21,428	HK$71.79
	29 August 2019	10 years from the date of grant	75% shall vest on 29 August 2022; and 25% shall vest on 29 August 2023	HK$25.85	57,143	(57,143)	–	–	–	HK$89.15
	4 December 2019	10 years from the date of grant	75% shall vest on 4 December 2022; and 25% shall vest on 4 December 2023	HK$28.15	27,500	(12,500)	–	–	15,000	HK$62.02
	15 April 2020	10 years from the date of grant	75% shall vest on 15 April 2023; and 25% shall vest on 15 April 2024	HK$33.95	4,259,268	(2,234,440)	–	–	2,024,828	HK$69.10
	11 June 2020	10 years from the date of grant	75% shall vest on 11 June 2023; and 25% shall vest on 11 June 2024	HK$47.80	1,107,944	(479,238)	–	–	628,706	HK$73.60
	27 August 2020	10 years from the date of grant	75% shall vest on 27 August 2023; and 25% shall vest on 27 August 2024	HK$54.55	114,284	(28,571)	–	–	85,713	HK$89.15
	3 December 2020	10 years from the date of grant	75% shall vest on 3 December 2023; and 25% shall vest on 3 December 2024	HK$53.90	3,225,388	(129,561)	–	–	3,095,827	HK$81.94
	30 March 2021	10 years from the date of grant	75% shall vest on 30 March 2024; and 25% shall vest on 30 March 2025	HK$78.20	4,843,255	(635,416)	–	(2,886)	4,204,953	HK$89.44
	23 June 2021	10 years from the date of grant	75% shall vest on 23 June 2024; and 25% shall vest on 23 June 2025	HK$90.05	559,254	(26,675)	–	(17,102)	515,477	HK$100.46
		10 years from the date of grant	50% shall vest on 23 June 2026; and 50% shall vest on 23 June 2027	HK$90.05	125,714	–	–	–	125,714	N/A
	26 August 2021	10 years from the date of grant	75% shall vest on 26 August 2024; and 25% shall vest on 26 August 2025	HK$64.69	85,715	(32,142)	–	(3,572)	50,001	HK$85.87

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Number of options					Weighted average closing price immediately before the exercise date during the Reporting Period
					Outstanding as at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	
	6 December 2021	10 years from the date of grant	75% shall vest on 6 December 2024; and 25% shall vest on 6 December 2025	HK$68.51	273,880	(25,482)	–	(30,572)	217,826	HK$86.83
	30 March 2022	10 years from the date of grant	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	HK$30.60	6,144,442	(2,245,261)	–	(126,481)	3,772,700	HK$72.53
	8 July 2022	10 years from the date of grant	75% shall vest on 8 July 2025; and 25% shall vest on 8 July 2026	HK$37.55	227,998	(57,856)	–	(14,286)	141,570	HK$88.20
	29 August 2022	10 years from the date of grant	75% shall vest on 29 August 2025; and 25% shall vest on 29 August 2026	HK$33.10	55,571	(4,500)	–	(1,500)	49,571	HK$93.60
	9 December 2022	10 years from the date of grant	75% shall vest on 9 December 2025; and 25% shall vest on 9 December 2026	HK$32.25	198,412	–	–	(20,000)	178,412	N/A
	30 March 2023	10 years from the date of grant	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	HK$38.39	8,505,681	–	–	(669,000)	7,836,681	N/A
	20 June 2023	10 years from the date of grant	75% shall vest on 20 June 2026; and 25% shall vest on 20 June 2027	HK$35.20	154,000	–	–	(10,000)	144,000	N/A
	7 December 2023	10 years from the date of grant	75% shall vest on 7 December 2026; and 25% shall vest on 7 December 2027	HK$42.84	91,800	–	–	(24,000)	67,800	N/A
	22 March 2024	10 years from the date of grant	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	HK$40.24	2,320,80	–	–	(176,900)	2,143,900	N/A
	14 June 2024	10 years from the date of grant	75% shall vest on 14 June 2027; and 25% shall vest on 14 June 2028	HK$38.30	375,384	–	–	(72,000)	303,384	N/A
Total					53,247,608	(6,735,969)	–	(1,389,669)	45,121,970	

Note:

1. Other than the Directors disclosed above on individual basis.

3. 2018 RS Plan

The 2018 RS Plan was approved by the Shareholders on 15 October 2018 and terminated on 12 June 2020. Given that no further awards would be granted under the 2018 RS Plan after its termination, the number of unvested awards would be equivalent to the maximum number of Shares available for issue under the 2018 RS Plan. As of 1 January 2025 and 31 December 2025, nil and nil underlying Shares granted to eligible participants pursuant to the 2018 RS Plan remain unvested, respectively.

4. 2020 RS Plan

The 2020 RS Plan was approved by the Shareholders on 12 June 2020 and terminated on 21 June 2024.

Purpose

The purpose of the 2020 RS Plan is to enable the directors, officers, and other key contributors and employees of the Group to share the success of the Company, in order to assure a closer identification of the interests of such persons with those of the Group and stimulate the efforts of such persons on the Group's behalf.

Eligible Participants

Any Person who is a full-or part-time executive officer, senior vice president, department head, vice president or other key contributor and employee of the Company or any subsidiary of the Company from time to time.

Maximum Number of Shares Available for Issue under the 2020 RS Plan

The total number of shares issued and may be issued by the Company within five years of 12 June 2020 for distribution of Shares corresponding to the Restricted Shares granted under the 2020 RS Plan shall not exceed 67,152,410 Shares.

Given that no further awards would be granted under the 2020 RS Plan, the outstanding number of Restricted Shares would be equivalent to the maximum number of Shares available for issue under the 2020 RS Plan. It follows that, as of 31 December 2025 and the Latest Practicable Date, Restricted Shares representing 36,650,277 underlying Shares and 22,508,766 underlying Shares (representing approximately 1.3% of the issued share capital of the Company as at the Latest Practicable Date) granted to eligible participants pursuant to the 2020 RS Plan remain unvested, respectively. Further details of the 2020 RS Plan are set out in the announcement of the Company dated 27 May 2020, the circular of the Company dated 28 May 2020 and Note 33 to the financial statements.

Maximum Entitlement for Each Participant

Restricted Shares may be granted to the Directors, provided that the total number of Restricted Shares granted to such Directors in aggregate shall not exceed 1% of the total number of Shares in issue as of the day of each subsequent annual general meeting of the Company, for the period between (i) such annual general meeting and (ii) the day before the following annual general meeting or the last day of the term of the Plan, whichever is earlier (each a "**Grant Period**"). The Company shall obtain independent shareholders' approval at each subsequent annual general meeting, being the first day of a Grant Period, for such grants of Restricted Shares during such Grant Period, and the issue and allotment of underlying shares.

Restricted Shares may also be granted to independent non-executive Directors, provided that (i) the total number of Restricted Shares granted to any independent non-executive Director in each Grant Period shall not exceed 0.1% of the total number of Shares in issue as of the first day of such Grant Period; and (ii) the market value of such total number of Restricted Shares granted to any independent non-executive Director in each Grant Period shall not exceed HK$5,000,000 on any day of grant of Restricted Shares during such Grant Period.

Vesting Period

The vesting criteria and conditions, and the vesting date are specified in the award agreement. Details of the vesting period of individual grants are stated in the table below.

Consideration

No consideration is required to be paid by the grantees for the grant of awards under the 2020 RS Plan.

Remaining Life of the 2020 RS Plan

The 2020 RS Plan was terminated in its entirety on 21 June 2024, the adoption date of the 2024 Share Scheme.

Further details of the 2020 RS Plan are set out in the announcement of the Company dated 27 May 2020 and the circular of the Company dated 28 May 2020. and Note 33 to the financial statements.

Details of the movements of the Restricted Shares granted under the 2020 RS Plan (to be satisfied by new Shares) during the Reporting Period are as follows:

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2025	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 31 December 2025	Weighted average closing price immediately before the vesting date during the Reporting Period
Directors									
Dr. De-Chao Michael Yu	30 March 2021	4 years from the date of grant	Nil	181,250	(181,250)	–	–	–	HK$46.20
	30 March 2022	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	Nil	2,032,334	(1,524,250)	–	–	508,084	HK$46.20
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	2,430,000	–	–	–	2,430,000	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	2,754,000	–	–	–	2,754,000	N/A
Mr. Ronald Hao Xi Ede	30 March 2021	4 years from the date of grant	Nil	40,000	(40,000)	–	–	–	HK$46.20
	30 March 2022	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	Nil	560,644	(420,483)	–	–	140,161	HK$46.20
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	670,000	–	–	–	670,000	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	756,500	–	–	–	756,500	N/A
Ms. Qian Zhang	30 March 2021	4 years from the date of grant	Nil	40,000	(40,000)	–	–	–	HK$46.20
	30 March 2022	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026	Nil	560,644	(420,483)	–	–	140,161	HK$46.20
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	670,000	–	–	–	670,000	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	756,500	–	–	–	756,500	N/A
Dr. Charles Leland Cooney	30 March 2022	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	Nil	1,610	(1,610)	–	–	–	HK$46.20

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2025	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 31 December 2025	Weighted average closing price immediately before the vesting date during the Reporting Period
	30 March 2023	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	Nil	2,997	(1,499)	–	–	1,498	HK$46.20
	22 March 2024	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	Nil	14,326	(4,775)	–	–	9,551	HK$40.60
Ms. Joyce I-Yin Hsu	30 March 2022	33.33% shall vest on 30 March 2023; 33.33% shall vest on 30 March 2024; and 33.33% shall vest on 30 March 2025	Nil	1,610	(1,610)	–	–	–	HK$46.20
	30 March 2023	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	Nil	2,997	(1,499)	–	–	1,498	HK$46.20
	22 March 2024	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	Nil	14,326	(4,775)	–	–	9,551	HK$40.60
Mr. Gary Zieziula	1 June 2022	33.33% shall vest on 1 June 2023; 33.33% shall vest on 1 June 2024; and 33.33% shall vest on 1 June 2025	Nil	4,877	(4,877)	–	–	–	HK$61.95
	30 March 2023	33.33% shall vest on 30 March 2024; 33.33% shall vest on 30 March 2025; and 33.33% shall vest on 30 March 2026	Nil	12,988	(6,492)	–	–	6,496	HK$46.20
	22 March 2024	33.33% shall vest on 22 March 2025; 33.33% shall vest on 22 March 2026; and 33.33% shall vest on 22 March 2027	Nil	62,079	(20,691)	–	–	41,388	HK$40.60
Mr. Shuyun Chen	3 May 2024	33.33% shall vest on 3 May 2025; 33.33% shall vest on 3 May 2026; and 33.33% shall vest on 3 May 2027	Nil	9,551	(3,183)	–	–	6,368	HK$53.75
Service Providers in aggregate	9 December 2022	4 years from the date of grant	Nil	930,000	(672,657)	–	(257,343)	–	HK$85.60
Employee Participants in aggregate[1]	30 March 2021	4 years from the date of grant	Nil	275,310	(269,685)	–	(625)	5,000	HK$46.20

Name or category of grantee	Date of grant	Vesting period	Purchase price	Unvested as of 1 January 2025	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as of 31 December 2025	Weighted average closing price immediately before the vesting date during the Reporting Period
	23 June 2021	244,000 Restricted Shares; 6 years from the date of grant 429,587 Restricted Shares; 4 years from the date of grant	Nil	51,046	(28,300)	–	(875)	21,871	HK$77.70
	26 August 2021	4 years from the date of grant	Nil	17,500	(15,000)	–	(2,500)	–	HK$99.95
	6 December 2021	4 years from the date of grant	Nil	50,275	(28,275)	–	(22,000)	–	HK$92.00
	30 March 2022	75% shall vest on 30 March 2025; and 25% shall vest on 30 March 2026;	Nil	9,487,901	(7,023,251)	–	(231,221)	2,233,429	HK$46.20
	8 July 2022	75% shall vest on 8 July 2025; and 25% shall vest on 8 July 2026;	Nil	148,000	(103,500)	–	(10,000)	34,500	HK$82.55
	29 August 2022	75% shall vest on 29 August 2025; and 25% shall vest on 29 August 2026;	Nil	60,000	(44,000)	–	(2,000)	14,000	HK$90.65
	9 December 2022	75% shall vest on 9 December 2025; and 25% shall vest on 9 December 2026;	Nil	311,407	(218,555)	–	(20,000)	72,852	HK$85.60
	30 March 2023	75% shall vest on 30 March 2026; and 25% shall vest on 30 March 2027	Nil	12,865,300	–	–	(1,192,500)	11,672,800	N/A
	20 June 2023	75% shall vest on 20 June 2026; and 25% shall vest on 20 June 2027	Nil	154,000	–	–	(10,000)	144,000	N/A
	7 December 2023	75% shall vest on 7 December 2026; and 25% shall vest on 7 December 2027	Nil	137,400	–	–	(48,000)	89,400	N/A
	22 March 2024	75% shall vest on 22 March 2027; and 25% shall vest on 22 March 2028	Nil	14,447,900	–	–	(1,440,350)	13,007,550	N/A
	14 June 2024	75% shall vest on 14 June 2027; and 25% shall vest on 14 June 2028	Nil	561,119	–	–	(108,000)	453,119	N/A
Total				51,076,391	(11,080,700)	–	(3,345,414)	36,650,277	

Note:

(1) Other than the Directors disclosed above on individual basis.

5. 2024 Share Scheme

The 2024 Share Scheme was approved by the Shareholders on 21 June 2024.

Purpose

The purpose of the 2024 Share Scheme is to (a) to provide the Company with flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to Eligible Participants; (b) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire shareholding interests in the Company; and (c) to encourage Eligible Participants to contribute to the long-term growth, performance and profit of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Eligible Participants

Any person who is (i) the employee participant, being any person who is an employee (whether full-time or part-time), director or officer of any member of the Group; (ii) related entity participants, being any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of (a) a holding company of the Company, (b) subsidiaries of the holding company other than members of the Group, or (c) an associated company of the Company; and (iii) service provider participants, being consultants and service providers (including an entity) providing services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group as determined by the scheme administrator.

Maximum Number of Shares Available for Issue under the 2024 Share Scheme

The maximum number of new Shares that may be issued pursuant to all awards made under the 2024 Share Scheme is 162,838,357 Shares, with the scheme mandate limit being 10% of the total issued and outstanding Shares (excluding any treasury shares (as defined under the Listing Rules)) as at the date of the shareholders' approval of the 2024 Share Scheme. The total number of Shares that may be issued pursuant to Awards granted to Service Provider Participants under the 2024 Share Scheme is 32,567,671 being 2% of the Shares in issue (excluding any treasury shares (as defined under the Listing Rules)) as at the date of the shareholders' approval of the 2024 Share Scheme.

As of 1 January 2025, 161,464,257 Shares were available for grant under the 2024 Share Scheme. During the Reporting Period, 4,094,497 options and 23,986,548 Restricted Shares were granted to eligible participants pursuant to the 2024 Share Scheme. It follows that, as of 31 December 2025, 138,135,786 Shares are available for future grant under the aforementioned scheme mandate limit and among the scheme mandate limit, the service provider sublimit is 32,567,671 Shares. As at the Latest Practicable Date, 126,338,050 new Shares (representing approximately 7.3% of the issued share capital of the Company) were available for grant under the 2024 Share Scheme. Further details of the 2024 Share Scheme are set out in the circular of the Company dated 4 June 2024 and Note 33 to the financial statements.

Maximum Entitlement for Each Participant

There is no specific maximum entitlement for each Eligible Participant under the 2024 Share Scheme.

Vesting Period

The vesting criteria and conditions, and the vesting date are specified in the award letter. Details of the vesting period of individual grants are stated in the table below.

Consideration

The scheme administrator may determine in their absolute discretion the amount (if any) payable on application or acceptance of an award and the period within which any such payments must be made, and such amounts (if any) and periods shall be set out in the award letter.

Remaining Life of the 2024 Share Scheme

The 2024 Share Scheme shall be valid and effective for the period of 10 years commencing on 21 June 2024. The remaining life of the 2024 Share Scheme is approximately 8.5 year from 31 December 2025.

Further details of the 2024 Share Scheme are set out in the circular of the Company dated 4 June 2024 and Note 33 to the financial statements.

Details of the movements of the options granted under the 2024 Share Scheme during the Reporting Period are as follows:

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period [1]	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
Directors														
Dr. De-Chao Michael Yu	28 March 2025	10 years from the date of grant	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	HK$46.20	-	972,000	-	-	-	972,000	HK$45.85	HK$32.36	N/A	See Note 2
Mr. Ronald Hao Xi Ede	28 March 2025	10 years from the date of grant	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	HK$46.20	-	267,000	-	-	-	267,000	HK$45.85	HK$32.36	N/A	See Note 2
Ms. Qian Zhang	28 March 2025	10 years from the date of grant	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	HK$46.20	-	267,000	-	-	-	267,000	HK$45.85	HK$32.36	N/A	See Note 2
Ms. Joyce I-Yin Hs	28 March 2025	10 years from the date of grant	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	HK$46.20	-	4,984	-	-	-	4,984	HK$45.85	HK$30.90	N/A	None

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period [1]	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
Dr. Charles Leland Cooney	28 March 2025	10 years from the date of grant	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	HK$46.20	-	4,984	-	-	-	4,984	HK$45.85	HK$30.90	N/A	None
Mr. Gary Zieziula	28 March 2025	10 years from the date of grant	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	HK$46.20	-	21,597	-	-	-	21,597	HK$45.85	HK$30.90	N/A	None
Mr. Shuyun Chen	28 March 2025	10 years from the date of grant	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	HK$46.20	-	4,984	-	-	-	4,984	HK$45.85	HK$30.90	N/A	None
Dr. Stephen A. Sherwin	29 August 2025	10 years from the date of grant	33.33% shall vest on 29 August 2026; 33.33% shall vest on 29 August 2027; and 33.33% shall vest on 29 August 2028.	HK$96.85	-	1,800	-	-	-	1,800	HK$90.65	HK$50.34	N/A	None
Employee Participants in aggregate [5]	30 August 2024	10 years from the date of grant	75% shall vest on 30 August 2027; and 25% shall vest on 30 August 2028	HK$43.77	170,600	-	-	-	-	170,600	N/A	N/A	N/A	N/A

Name or category of grantee	Date of grant	Exercise period	Vesting Period	Exercise price	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period [1]	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
	5 December 2024	10 years from the date of grant	75% shall vest on 5 December 2027; and 25% shall vest on 5 December 2028	HK$38.38	55,900	-	-	-	(28,800)	27,100	N/A	N/A	N/A	N/A
	28 March 2025	10 years from the date of grant	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	HK$46.20	-	2,481,148	-	-	(331,062)	2,150,086	HK$45.85	Staff: HK$30.53 Management: HK$31.0	N/A	See Note 2
	30 June 2025	10 years from the date of grant	75% shall vest on 30 June 2028; and 25% shall vest on 30 June 2029	HK$79.87	-	35,000	-	-	-	35,000	HK$78.40	HK$41.91	N/A	See Note 2
	29 August 2025	10 years from the date of grant	75% shall vest on 29 August 2028; and 25% shall vest on 29 August 2029.	HK$96.85	-	19,000	-	-	-	19,000	HK$90.65	Staff: HK$47.45 Management: HK$49.09	N/A	See Note 3
	5 December 2025	10 years from the date of grant	75% shall vest on 5 December 2028; and 25% shall vest on 5 December 2029.	HK$93.62	-	15,000	-	-	-	15,000	HK$93.55	HK$38.14	N/A	See Note 4
Total					226,500	4,094,497	-	-	(359,862)	3,961,135				

Notes:

(1) The fair value of the equity-settled share-based payments was determined at the grant date without taking into consideration all non-market vesting conditions 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 the 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.

(2) Each vesting of the Options granted to the grantees will be subject to the individual performance targets as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research and development, CMC, commercialization and supporting functions, etc. The vesting percentage of the Options at each vesting will be adjusted based on his/her annual performance appraisal.

(3) Each vesting of the Options granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research and development, and supporting functions, etc. The vesting percentage of the Options at each vesting will be adjusted based on his/her annual performance appraisal.

(4) Each vesting of the Options granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research and development, commercialization and supporting functions, etc. The vesting percentage of the Options at each vesting will be adjusted based on his/her annual performance appraisal.

(5) Other than the Directors disclosed above on individual basis.

Details of the movements of the Restricted Shares granted under the 2024 Share Scheme during the Reporting Period are as follows:

Name or category of grantee	Date of grant	Vesting Period	Exercise price	Outstanding as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period [1]	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
Directors													
Dr. De-Chao Michael Yu	28 March 2025	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	Nil	–	2,754,000	–	–	–	2,754,000	HK$45.85	HK$54.35	N/A	See Note 2
Mr. Ronald Hao Xi Ede	28 March 2025	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	Nil	–	756,500	–	–	–	756,500	HK$45.85	HK$54.35	N/A	See Note 2
Ms. Qian Zhang	28 March 2025	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	Nil	–	756,500	–	–	–	756,500	HK$45.85	HK$54.35	N/A	See Note 2
Ms. Joyce I-Yin Hs	28 March 2025	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	Nil	–	14,122	–	–	–	14,122	HK$45.85	HK$54.35	N/A	None
Dr. Charles Leland Cooney	28 March 2025	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	Nil	–	14,122	–	–	–	14,122	HK$45.85	HK$54.35	N/A	None
Mr. Gary Zieziula	28 March 2025	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	Nil	–	61,193	–	–	–	61,193	HK$45.85	HK$54.35	N/A	None
Mr. Shuyun Chen	28 March 2025	33.33% shall vest on 28 March 2026; 33.33% shall vest on 28 March 2027; and 33.33% shall vest on 28 March 2028	Nil	–	14,122	–	–	–	14,122	HK$45.85	HK$54.35	N/A	None
Dr. Stephen A. Sherwin	29 August 2025	33.33% shall vest on 29 August 2026; 33.33% shall vest on 29 August 2027; and 33.33% shall vest on 29 August 2028	Nil	–	5,100	–	–	–	5,100	HK$90.65	HK$93.60	N/A	None

Name or category of grantee	Date of grant	Vesting Period	Exercise price	Outstanding as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Closing price of the Shares immediately before the date of grant during the Reporting Period	Fair value of options at the date of grant during the Reporting Period [1]	Weighted average closing price immediately before the exercise date during the Reporting Period	Performance targets for options granted during the Reporting Period
Employee Participants in aggregate[3]	30 August 2024	75% shall vest on 30 August 2027; and 25% shall vest on 30 August 2028	Nil	683,400	-	-	-	(93,400)	590,000	N/A	N/A	N/A	N/A
	5 December 2024	75% shall vest on 5 December 2027; and 25% shall vest on 5 December 2028	Nil	464,200	-	-	-	(225,900)	238,300	N/A	N/A	N/A	N/A
	28 March 2025	75% shall vest on 28 March 2028; and 25% shall vest on 28 March 2029	Nil	-	18,757,739	-	-	(3,930,412)	14,827,327	HK$45.85	HK$54.35	N/A	See Note 2
	30 June 2025	75% shall vest on 30 June 2028; and 25% shall vest on 30 June 2029	Nil	-	497,750	-	-	(93,000)	404,750	HK$78.40	HK$78.40	N/A	See Note 2
	29 August 2025	75% shall vest on 29 August 2028; and 25% shall vest on 29 August 2029	Nil	-	207,200	-	-	(50,000)	157,200	HK$90.65	HK$93.60	N/A	See Note 2
	5 December 2025	75% shall vest on 5 December 2028; and 25% shall vest on 5 December 2029	Nil	-	148,200	-	-	-	148,200	HK$93.55	HK$79.35	N/A	See Note 2
Total				1,147,600	23,986,548	-	-	(4,392,712)	20,741,436				

Notes:

(1) The fair value of the equity-settled share-based payments was determined at the grant date without taking into consideration all non-market vesting conditions 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 the 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.

(2) Each vesting of the Restricted Shares granted to the grantees will be subject to the individual annual performance targets as stipulated in the respective grant letters entered into by the Company and each of the grantees. These performance targets are set against certain benchmark of the functions in which the individual grantee serves, these functions include research and development, CMC, commercialization and supporting functions, etc. The vesting percentage of the Restricted Shares at each vesting will be adjusted based on his/her annual performance appraisal.

(3) Other than the Directors disclosed above on individual basis.

Directors' Rights to Acquire Shares or Debenture

Save as disclosed in this annual report, at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

Emolument Policy and Directors' Remuneration

In compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director'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. The Directors and the senior management personnel are eligible participants of the Equity Plans. Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Note 11, respectively to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

For the year ended 31 December 2025, directors were granted discretionary bonuses of a total sum of RMB8.8 million excluding the special bonus set out in Note 11 to the consolidated financial statements (equivalent to approximately 13 months of their base salary). Save as disclosed above, none of the Directors were paid discretionary bonuses for the year ended 31 December 2025.

Directors' Interests in Competing Business

During the year ended 31 December 2025, none of our Directors had any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Continuing Connected Transactions

The Group has no non-exempt continuing connected transactions (the "**Continuing Connected Transactions**") for the Group for the year ended 31 December 2025.

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

On 26 June 2025, the Company entered into a placing agreement with Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C. (the "**Joint Placing Agents**"), pursuant to the placing of 55,000,000 new Shares under general mandate at the price of HK$78.36 per placing share on the terms and subject to the conditions set out in the placing agreement dated 26 June 2025 (the "**2025 Placing**"). The 2025 Placing was completed on 4 July 2025. The net proceeds from the 2025 Placing amount to approximately HK$4,265.4 million. For further details, please refer to the announcements of the Company dated 26 June 2025 and 4 July 2025 (the "**2025 Placing Announcements**"), and the section headed "Use of Net Proceeds from the 2025 Placing" below of this report.

On 22 October 2025, the Company and Takeda Pharmaceuticals International AG have established a global strategic collaboration to accelerate the development of Innovent's next-generation IO and ADC cancer therapies to the global market (the "**2025 Global Strategic Partnership**"). As part of the collaboration, Takeda Pharmaceuticals International AG, being the subscriber, and the Company entered into the share issuance agreement (the "**Share Issuance Agreement**"), pursuant to which the subscriber has agreed to invest in the Company by subscribing for, and the Company agreed to allot and issue to the subscriber, the subscription shares (the "**Subscription Shares**"). On 4 December 2025, upon the closing of the Share Issuance Agreement, 6,913,834 Shares were allotted and issued by the Company to the subscriber, representing approximately 0.40% of the issued share capital of the Company after issuance of the Subscription Shares. The net proceeds was approximately HK$777 million and the net price per Share is HK$112.33. The aggregate nominal value of the subscription Shares being issued is US$69.14 and the market value of the subscription Shares is HK$601 million, based on the closing price of HK$86.90 per Share on the date of the Share Issuance Agreement. For further details, please refer to the announcements of the Company dated 22 October 2025 and 5 December 2025 (the "**2025 Global Strategic Partnership Announcements**"), and the section headed "Use of Net Proceed from the 2025 Global Strategic Partnership" below of this report.

Save as disclosed above, during the Reporting Period, neither our Company nor any of our subsidiaries had purchased, sold or redeemed any of our Company's securities (including sale of treasury shares (as defined under the Listing Rules)) listed on the Stock Exchange. As at 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

Material Litigation

The Company was not involved in any material litigation or arbitration during the year ended 31 December 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the year ended 31 December 2025.

Use of Net Proceeds

(a) Use of Net Proceeds from the 2023 Placing

The placing of new Shares pursuant to the placing agreement dated 12 September 2023 was completed on 19 September 2023 (the "**2023 Placing**"). An aggregate of 68,000,000 new Shares was placed to not fewer than six independent placees, who are professional, institutional or other investors, at HK$34.92 per share (at a net price of approximately HK$34.66 per Share). The Placing Shares have an aggregate nominal value of US$680.0 and a market value of HK$2,604.4 million. For further details, please refer to the announcements of the Company dated 12 and 19 September 2023 (the "**2023 Placing Announcements**").

The net proceeds raised from the 2023 Placing were approximately HK$2,356.8 million (approximately RMB2,163.0 million). The 2023 Placing was for the Company's future development, sustainable growth and global innovation. In particular, the net proceeds will be utilised in accordance with the intended use of proceeds as disclosed in the 2023 Placing Announcements, with the allocation being as follows: (i) approximately 60.0% for expediting the R&D of various prioritized preclinical and clinical programs in our pipeline globally, including but not limited to the conduction of MRCTs (multi-regional clinical trials), as well as for building the global infrastructure and facilities; (ii) approximately 30.0% for the development, marketing and commercialization of IBI362 (mazdutide), a GLP-1R/GCGR dual agonist and potential best-in-class clinical-stage drug candidate for diabetes and obesity, while respective phase 3 clinical studies of IBI362 (mazdutide) in obesity and diabetes are progressing smoothly for the subsequent NDA submission plan in China; and (iii) the remaining 10.0% for general and corporate use.

As at 31 December 2025, the net proceeds of 2023 Placing had been fully utilised in accordance with the intended use of proceeds as previously disclosed in the 2023 Placing Announcements. The table below sets out the use of proceeds from the 2023 Placing as at 31 December 2025:

Use of net proceeds	Unutilised as at 31 December 2024 RMB million	**Utilisation during the year ended 31 December 2025 RMB million**	**Unutilised as at 31 December 2025 RMB million**
Expediting the R&D of various prioritized preclinical and clinical programs in global pipeline and building the global infrastructure and facilities	651.0	**651.0**	**–**
Development, marketing and commercialization of IBI362 (mazdutide)	275.6	**275.6**	**–**
General and corporate use	–	**–**	**–**
	926.6	**926.6**	**–**

(b) Use of Net Proceeds from the 2025 Placing

The placing of new Shares pursuant to the 2025 Placing was completed on 4 July 2025. An aggregate of 55,000,000 news Shares has been successfully placed by the Joint Placing Agents to not fewer than six independent places, who are professional, institutional or other investors, at HK$78.36 per share (at a net price of approximately HK$77.55 per Share) pursuant to the terms and conditions of the Placing Agreement. The closing price of the Shares on 25 June 2025 is HK$82.40 per Share. The placing shares have an aggregate nominal value of US$550.00 and a market value of HK$4,532.0 million. For further details, please refer to the 2025 Placing Announcements.

The net proceeds from the Placing amount to approximately HK$4,265.4 million. The net proceeds of the 2025 Placing will be used with (i) approximately 90% (i.e. approximately RMB3,500.8 million) for the global R&D arrangement of clinical and preclinical programs in the rich pipeline, as well as for building the global infrastructure and facilities; and (ii) approximately 10% (i.e. approximately RMB389.0 million) for general and corporate use.

As at 31 December 2025, approximately RMB250.9 million of the net proceeds of 2025 Placing had been utilised in accordance with the intended use of proceeds as previously disclosed in the 2025 Placing Announcements, and RMB3,638.9 million remained unutilised. The table below sets out the use of proceeds from the 2025 Placing as at 31 December 2025:

Use of net proceeds	Net proceeds RMB million	Utilisation from 4 July 2025 to 31 December 2025 RMB million	Unutilised as at 31 December 2025 RMB million
Global R&D arrangement of clinical and preclinical programs in the rich pipeline, as well as for building the global infrastructure and facilities	3,500.8	**212.0**	**3,288.8**
General and corporate use	389.0	**38.9**	**350.1**
	3,889.8	**250.9**	**3,638.9**

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 54 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs.

(c) Use of Net Proceeds from the 2025 Global Strategic Partnership

The Company and Takeda Pharmaceuticals International AG have established the 2025 Global Strategic Partnership on 22 October 2025, pursuant to which, Takeda Pharmaceuticals International AG, being the subscriber, and the Company entered into the Share Issuance Agreement. Accordingly, the subscriber has agreed to invest in the Company by subscribing for, and the Company agreed to allot and issue to the subscriber the Subscription Shares. On 4 December 2025, upon the closing of the Share Issuance Agreement, 6,913,834 Shares were allotted and issued by the Company to the subscriber, representing approximately 0.40% of the issued share capital of the Company after issuance of the Subscription Shares. The net proceeds was approximately HK$777.0 million. For further details, please refer to the 2025 Global Strategic Partnership Announcements.

The net proceeds from the 2025 Global Strategic Partnership amount to approximately HK$777.0 million (approximately RMB706.2 million). The net proceeds of the 2025 Global Strategic Partnership will be used with (i) approximately 80% (i.e. approximately RMB565.0 million) for the R&D of various clinical and pre-clinical programs in our pipeline globally; and (ii) approximately 20% (i.e. approximately RMB141.2 million) for general and corporate use.

As at 31 December 2025, nil of the net proceeds of 2025 Global Strategic Partnership had been utilised in accordance with the intended use of proceeds as previously disclosed in the 2025 Global Strategic Partnership Announcements, and RMB706.2 million remained unutilised. The table below sets out the use of proceeds from the 2025 Global Strategic Partnership as at 31 December 2025:

Use of net proceeds	Net proceeds RMB million	Utilisation from 5 December to 31 December 2025 RMB million	Unutilised as at 31 December 2025 RMB million
R&D of various clinical and pre-clinical programs in our pipeline globally	565.0	–	**565.0**
General and corporate use	141.2	–	**141.2**
	706.2	–	**706.2**

There was no change in the intended use of net proceeds as previously disclosed, and the Company will gradually utilise the residual amount of the net proceeds in accordance with such intended purposes within the upcoming 60 months. This expected timeline is based on the best estimation of future market conditions and business operations made by the Company and remains subject to change based on current and future development of market conditions and actual business needs.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company has maintained the prescribed minimum percentage of public float under the Listing Rules, i.e., at least 25% of the total issued Shares of the Company.

Auditor

The consolidated financial statements of the Group have been audited by Deloitte Touche Tohmatsu, Registered Public Interest Entity Auditors, who will retire and, being eligible, offer themselves for re-appointment at the AGM.

Important Events after the Reporting Period

There were no important events affecting the Company occurred since the end of the Reporting Period and up to the Latest Practicable Date.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this annual report, we do not have other plans for material investments and capital assets.

By the order of the Board
Dr. De-Chao Michael Yu
Chairman of the Board and executive Director

Hong Kong, China
26 March 2026

Directors and Senior Management

The Board consists of the following Directors:

Directors

Executive Directors

Dr. De-Chao Michael Yu, aged 62, is the founder, an executive director, the Chairman of the Board, and the Chief Executive Officer of the Company. Dr. Yu is a member of the Nomination Committee and the Chairman of the Strategy Committee. He founded the Group on 28 April 2011 and is responsible for the overall strategic planning and business direction of our Group and management of the Company. Before founding Innovent, Dr. Yu was the President, Chief Executive Officer and a member of the Board of Directors of Chengdu Kanghong Biotech Co. Ltd. from 2006 to 2010. Previously, Dr. Yu was the vice president of R&D at Applied Genetic Technology Corporation (a company subsequently listed on the NASDAQ with ticker symbol: AGTC) in 2005. Between 1997 and 2001, Dr. Yu was the vice president of Calydon, Inc. which was later acquired by Cell Genesys, Inc. (a company subsequently listed on the NASDAQ with ticker symbol: CEGE), and worked there till 2005 mainly responsible for a significant part of the company's early R&D.

With over 20 years of distinguished experience in innovative biopharmaceutical research and development, Dr. Yu has pioneered and successfully advanced four approved innovative medicines. He invented Oncorine®, the world's first commercialized oncolytic virus-based immunotherapy; co-invented and led the development of Langmu® (conbercept), the first innovative medicine for blinding fundus diseases in China; and co-invented and led the development of TYVYT® (sintilimab), one of the most widely prescribed PD-1 inhibitors, as well as SINTBILO®, the first fully human anti-PCSK9 monoclonal antibody approved in China. Dr. Yu is an inventor of over 60 issued patents and patent applications, and has published more than 50 SCI scientific articles and book chapters. Throughout his career, Dr. Yu is committed to expanding global patient access to high-quality, affordable biopharmaceutical therapies.

Dr. Yu has been a director of Dian Diagnostics Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange with stock code: 300244) since November 2023. Dr. Yu was an independent non-executive director of BabyTree Group (a company listed on Main Board of the Stock Exchange with stock code: 1761 and delisted in December 2024) from June 2018 to May 2023.

Dr. Yu received his doctoral degree in Molecular Genetics from the Chinese Academy of Sciences (Shanghai, China) and completed his postdoctoral training at the University of California San Francisco (San Francisco, the U.S.).

Mr. Ronald Hao Xi Ede, aged 67, is an executive Director and a member of the Strategy Committee, Innovent International CEO and Managing Partner of the Company's investment funds. Mr. Ede served as the Chief Financial Officer of Innovent from August 2017 to February 2024 and has made significant contributions to the Company's strategy planning, corporate governance, financial management and business development. Prior to joining the Group, between 2011 and 2016, Mr. Ede was the chief financial officer of Biosensors International Ltd. Between 2009 and 2011, Mr. Ede was the chief financial officer of Mindray Medical International Limited. Mr. Ede is a fellow member of the Institute of Singapore Chartered Accountants and an A-Share independent director certified by the Shenzhen Stock Exchange. Mr. Ede received his bachelor of business administration degree from the University of Hawaii in December 1984 and a master of business administration degree from the University of Washington in December 1988. Mr. Ede has held directorships in the following listed companies outside of the Group:

- Mindray Medical International Limited (a company previously listed on the NYSE and is currently listed on the Shenzhen Stock Exchange with stock code: 300760) as an independent non-executive director since 2006; and resigned as an independent non-executive director in 2016 after the company was privatized from the NYSE. In 2017, he rejoined the board as an independent non-executive director for Mindray and completed directorship on May 2023; and

- Dawnrays Pharmaceutical (Holding) Ltd. (a company listed on the Stock Exchange with stock code: 2348) as a non-executive director since 2015. In 2017, Mr. Ede was re-designated as an independent non-executive director.

Ms. Qian Zhang, aged 39, is an executive Director, a member of the Strategy Committee, the Chief Commercial Officer of the Group and General Manager of Zhongxu Biopharmaceuticals (a wholly-owned subsidiary of the Group). Ms. Zhang is responsible for the Group's commercial strategy and marketing operations, and oversees the Group's human resources, information technology, administration, corporate communications and corporate affairs departments, as well as the general office.

Since joining the Group in 2012, Ms. Zhang has held various functional management positions and built a world class biopharmaceutical organization comprised of research and development, CMC and commercialization for the Group. She pioneered numerous strategic initiatives, including the designing of organizational incentives, building corporate culture, recruitment, business training and benchmarking against global pharmaceutical companies.

She has held the position of Group's Chief People's Officer since 2017, contributing as a key member of the senior executive team. She assumed the additional role of General Manager of Zhongxu Biopharmaceuticals in 2024 and was appointed Chief Commercial Officer of the Group in August 2025. Her leadership and strategic oversight across these roles have been instrumental in driving the Group's commercial growth and operational excellence, making significant contributions to the achievement of key business objectives.

Ms. Zhang received her Bachelor degree in English from the Southwest University in China in June 2010, and her master degree in Business Administration from Fudan University in 2024.

Independent Non-executive Directors

Dr. Charles Leland Cooney, aged 81, is an independent non-executive Director, a member of each of the Audit Committee, Nomination Committee and the Strategy Committee. Dr. Cooney was appointed to the Board on 26 September 2016 and is responsible for providing independent opinion and judgment to the Board. Dr. Cooney joined the faculty of the Massachusetts Institute of Technology as an assistant professor in 1970, becoming full professor in 1982. His teaching focuses on the bioprocess development and manufacturing and technological innovation, and his research interests include biochemical engineering and pharmaceutical manufacturing. From 2002 to 2014, Dr. Cooney was the founding Faculty Director of the Deshpande Center for Technological Innovation.

Dr. Cooney is a consultant to multiple biotech and pharmaceutical companies and sits on the boards of private companies such as Hovione and Levitronix, and is an adviser to the Singapore MIT Alliance for Research and Technology (SMART) Innovation Center. Dr. Cooney served as an independent non-executive director of Codiak BioScience (a company once listed on the NASDAQ with the symbol CDAK), GreenLight Bioscience (a company once listed on the NASDAQ with the symbol GRNA), Polypore International (a company listed on the NASDAQ with ticker symbol: PPO), and Biocon Limited (a company listed on the NYSE with ticker symbol: BIOCON and on the Bombay Stock Exchange with stock code: 532523).

Dr. Cooney received his bachelor of science degree in chemical engineering from the University of Pennsylvania in June 1966, and his master of science and doctor of philosophy degrees in biochemical engineering from the Massachusetts Institute of Technology in September 1967 and February 1970, respectively.

Ms. Joyce I-Yin Hsu, aged 51, is an independent non-executive Director, the chairwoman of each of the Audit Committee and Remuneration Committee and a member of the Nomination Committee. Ms. Hsu was appointed to the Board on 18 October 2018 and is responsible for providing independent opinion and judgment to the Board. She currently acts as a senior advisor of Cornell Capital.

Ms. Hsu was a partner at Zoyi Capital from 2013 to 2015, being mainly responsible for investments and portfolio company monitoring. Prior to this, Ms. Hsu served as chief financial officer and director at Mindray between 2006 and 2009, leading Mindray through its NYSE IPO in 2006 and subsequently two overseas acquisitions in 2008 and 2013. She subsequently acted as the advisor of Mindray on its delisting from NYSE and private placement from 2015 to 2016, prior to its relisting on the Shenzhen Stock Exchange in 2018. Before that, Ms. Hsu was an executive director at Goldman Sachs Asia between 1998 and 2006, where she led the investment efforts in a number of successful deals in China including Focus Media Holding Limited, China Yurun Food Group Limited, and Mindray Medical International Limited.

Ms. Hsu received her bachelor of science in business administration degree from the University of California at Berkeley in May 1998.

Mr. Gary Zieziula, aged 71, is an independent non-executive Director, a member of each of the Audit Committee, Remuneration Committee and the Strategy Committee.

Mr. Zieziula has over 40 years of sales and operations experience in the pharmaceutical industry and had worked for industry leaders across Europe and North America. He served as the president of Kyowa Kirin USA Holdings, Inc., the North America Region Headquarters of Kyowa Kirin Co., Ltd, a company listed on the Tokyo Stock Exchange (stock code: 4151) from April 2020 to April 2023 and non-executive director on the Kyowa Kirin USA Holdings, Inc.'s board of directors from June 2019 to April 2020, and continues to serve on the company's board of directors in his executive role, and retired from the board of directors on 30 June 2025. Mr. Zieziula previously had worked for EMD Serono, a North American pharmaceutical company and subsidiary of Merck KGaA, as the chief commercial officer from January 2014 to January 2016, and the president and managing director from January 2016 to January 2019. He has been an independent provider of executive advisory services to pharmaceutical and biotech companies from December 2012 to January 2014. Mr. Zieziula served as the chief commercial officer and the executive vice president of AMAG Pharmaceuticals, Inc., a pharmaceutical company specializing in the development of iron deficiency products listed on NASDAQ, from April 2010 to December 2012. Prior to that, he worked for Roche Laboratories Inc. ("**Roche**"), a leading global pharmaceutical and biotechnology company. In October 2001, Mr. Zieziula started his career at Roche as the vice president of primary care sales, in July 2002, Mr. Zieziula was promoted to vice president of sales and marketing services and joined the North American Operating Committee and from July 2003 to June 2008, Mr. Zieziula served as Head of Commercial Operations for Specialty Care Products. In June 2008, Mr. Zieziula gained international experience as Managing Director of Roche Hellas in Greece. From June 1998 to October 2001, he served as the vice president in managed healthcare sales and marketing for Bristol Myers Squibb, a pharmaceutical manufacturer listed on the New York Stock Exchange. Prior to that, Mr. Zieziula spent 16 years at Merck & Co. where he had positions of increasing responsibility in sales and marketing.

Mr. Zieziula holds a bachelor of science degree from the State University of New York at Buffalo in the United States in 1976 and a master of business administration degree from Canisius College in the United States in 1983.

Dr. Shun Lu, aged 61, is an independent non-executive Director and a member of the Strategy Committee.

Dr. Lu has over 30 years of experience in the medical and pharmaceutical industry. Dr. Lu is currently a professor and the chief of Shanghai Lung Cancer Center, Shanghai Chest Hospital, Shanghai Jiao Tong University, and has been in these positions since 2006. Prior to that, Dr. Lu has been an associate professor and the vice chief of the Department of Chest, Shanghai Chest Hospital, Jiao Tong University from January 2000 to December 2005, an attending doctor at the Department of Chest from January 1995 to December 1999, and a resident doctor at the Department of Chest from July 1988 to December 1994.

Dr. Lu holds the following professional memberships and qualifications:

- Standing director of China Anticancer Association
- Director of the Society of Immunology, China Anticancer Association
- Standing director of CSCO and vice president of CSCO Foundation
- Former Chairman of Advisory Board of DIA China
- Honorary director of Oncology Society, Shanghai Medical Association
- Board member of Oncology Society, Chinese Medical Association, and director of Lung Cancer Expert Committee
- Chairman of Oncology Branch of Shanghai Medical Doctor Association

- Associate editor of Journal of Thoracic Oncology, associate editor of Lung Cancer, and editorial board member of The Oncologist

- Standing director of Shanghai Anti-cancer Association

Dr. Lu holds a medical doctoral degree (major in clinical medicine) from Shanghai Medical University in China in 1988 and a doctor of philosophy degree (major in oncology) from Second Military Medical University in the PRC in 2008.

Mr. Shuyun Chen, aged 51, also known as Nick Chen, was appointed to the Board on 31 January 2018 as a non-executive Director until his resignation on 25 February 2022. He is now the lead independent non-executive Director, the chairman of the Nomination Committee and a member of each of the Audit Committee, the Remuneration Committee and the Strategy Committee.

Mr. Nick Chen spent over 18 years with the Capital Group Companies ("**Capital Group**"), one of the world's largest and most successful professional investment organizations. In 2024, he retired from Capital Group as Partner in charge of Capital Group Private Markets ("**CGPM**") in the Greater China region and a member of CGPM's global Portfolio Management Committee. During his tenure, he successfully invested in, advised, and served as a board director of many leading companies in the healthcare, technology, and financial industries. Prior to joining Capital Group, Mr. Nick Chen worked at J.P. Morgan in investment banking roles in New York and Hong Kong from 1999, leaving as Vice President of the Asia mergers and acquisitions group.

Mr. Nick Chen has served as an Independent director, a member of Audit Committee and Strategy Committee of Shanghai Yaohua Pilkington Glass Group Co., Ltd. (a company listed on the Shanghai Stock Exchange with stock code: 600819) since June 2024 and has served as a non-executive director, a member of each of the Audit and Risk Management Committee, Remuneration Committee and Strategic Decisions Committee of Jinxin Fertility Group Limited (a company listed on the Stock Exchange with stock code: 1951) since September 2025.

Mr. Nick Chen received his Bachelor of Arts degree (summa cum laude) in Business and Economics from Franklin & Marshall College in the United States in May 1997.

Dr. Stephen A. Sherwin, aged 77, was appointed as an independent non-executive Director and a member of the Strategy Committee on 26 August 2025.

Dr. Sherwin currently engages in advisory work in the life science industry and patient care and teaching in medical oncology. He is a Clinical Professor of Medicine at the University of California, San Francisco, and a volunteer Attending Physician in Hematology-Oncology at the Zuckerberg San Francisco General Hospital. In his advisory work, Dr. Sherwin has been serving as an advisory partner at Third Rock Ventures since 2016, a director of Biogen (Nasdaq: BIIB) since 2010 and a director of Neurocrine Biosciences (Nasdaq: NBIX) since 1999. He was also an advisor to the Parker Institute for Cancer Immunotherapy from 2015 to 2025. Previously Dr. Sherwin was chairman and chief executive officer of Cell Genesys, a cancer immunotherapy company, from 1990 until the company's merger in 2009 with ANI Pharmaceuticals. He was also co-founder and chairman of Abgenix, an antibody company which was acquired by Amgen in 2006, and co-founder and chairman of Ceregene, a gene therapy company which was acquired by Sangamo Biosciences in 2013. From 1983 to 1990, Dr. Sherwin held various positions in clinical research at Genentech, most recently that of vice president, and prior to 1983, he was on the staff of the National Cancer Institute. In addition, Dr. Sherwin previously served on the board of directors of the Biotechnology Industry Organization from 2001 to 2014 and as its chairman from 2009 to 2011.

Dr. Sherwin received his bachelor of arts degree in biology from Yale University in 1970 and doctor of medicine degree from Harvard Medical School in 1974. He is board-certified in internal medicine and medical oncology, a member of American Society of Clinical Oncology, a member of American Association of Cancer Research and a fellow of the American College of Physicians.

Other information

In November 2020, February 2022, and May 2024, three putative federal securities class action were filed in U.S. District Court against a U.S. pharmaceutical company named Biogen Inc. ("**Biogen**") and certain of its officers and directors, for alleged violations of the Securities Exchange Act of 1934 (collectively, the "**Securities Class Actions**"). None of Innovent's officers or directors was named as a defendant in any of the Securities Class Actions.

In the period February 2022 to October 2024, based on allegations contained in one or more of the Securities Class Actions, five shareholder derivative class actions were filed in U.S. District Court against Biogen and certain of its officers and directors, including one of Innovent's independent non-executive Directors who was also a director of Biogen at the relevant time, alleging causes of action for, inter alia, breach of fiduciary duties and violations of the Securities Exchange Act of 1934 (collectively, the "**Derivative Actions**"). The Derivative Actions are pending in the U.S. District Court for the District of Massachusetts, the court has stayed each of the Derivative Actions pending the resolution of the Securities Class Action or Actions to which the Derivative Action relates.

In March 2026, the court dismissed with prejudice the Securities Class Action filed in May 2024, and in April 2026 the court dismissed without prejudice the Securities Class Action filed in February 2022. The Derivative Actions related to those Securities Class Actions remain stayed.

Senior Management

Dr. De-Chao Michael Yu, aged 62, is an executive Director, the Chairman of the Board, President and Chief Executive Officer of our Company. For further details, please see the paragraphs headed "Executive Directors" in "Directors" section.

Mr. Ronald Hao Xi Ede, aged 67, is an executive Director and a member of the Strategy Committee, Innovent International CEO and Managing Partner of the Company's investment funds. For further details, please see the paragraphs headed "Executive Directors" in "Directors" section.

Ms. Fei You ("Ms. You") has been appointed as the chief financial officer of the Company since 5 February 2024. Ms. You is responsible for the financial management and capital market activities of the Company, etc. Ms. You has over 20 years of professional experience in financial management, strategic investment and financing. Before joining the Company, she served as the chief financial officer of Jinxin Fertility Group Ltd. (a company listed on the Stock Exchange with stock code: 1951) and has successfully led its listing on the Main Board of the Stock Exchange. Prior to that, she had served in various managerial positions of 3SBio Inc. (a company listed on the Stock Exchange with stock code: 1530) and KPMG, etc.

Joint Company Secretaries

Ms. Yanju Wang ("Ms. Wang"), aged 37, was appointed as our joint company secretary on 4 June 2018. She joined the Group in October 2015.

Ms. Wang received her bachelor in management degree from the Nanjing University of Posts and Telecommunications in June 2012, her master of economics degree from Jiangsu University in June 2015 and master of corporate governance from Hong Kong Metropolitan University in April 2023. She obtained an accounting qualification certificate in August 2014 and a banking qualification certificate in October 2014.

Ms. Lok Yee Chan ("Ms. Chan"), aged 36, was appointed as our joint company secretary on 4 June 2018. She joined Vistra Corporate Services (HK) Limited in 2016 and is currently a Senior Manager of company secretarial services. Ms. Chan has over 10 years of experience in providing a full range of company secretarial and compliance services and is currently serving a portfolio of clients including public listed companies and private companies.

Ms. Chan obtained a bachelor of arts from the Hong Kong Polytechnic University in October 2011 and a master of science in Professional Accounting and Corporate Governance in July 2015 from City University of Hong Kong.

She has been an associate member of The Hong Kong Institute of Chartered Secretaries (now known as The Hong Kong Chartered Governance Institute) and an associate member of The Institute of Chartered Secretaries and Administrators (now known as The Chartered Governance Institute) in the United Kingdom since 2015.

Changes to Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors since the last published interim report are set out below:

- Mr. Nick Chen has served as a non-executive director, a member of each of the Audit and Risk Management Committee, Remuneration Committee and Strategic Decisions Committee of Jinxin Fertility Group Limited (a company listed on the Stock Exchange with stock code: 1951) since September 2025.

Save as disclosed above in the "Directors and Senior Management" section, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance Report

The Board of Directors is pleased to present the corporate governance report for the Company for the year ended 31 December 2025.

Corporate Governance Practices

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders and to enhance corporate value and accountability.

During the year ended 31 December 2025, the Company has complied with all applicable code provisions set out in the Corporate Governance Code (applicable for the Reporting Period) except for the following deviation:

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of the chairman of the Board ("**the Chairman**") and the chief executive should be segregated and should not be performed by the same individual. The division of responsibilities between the Chairman and chief executive should be clearly established and set out in writing. The Company does not have separate Chairman and chief executive officer, and Dr. De-Chao Michael Yu, our executive Director, currently performs these two roles. The Board believes that vesting the roles of both Chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

Model Code for Securities Transactions

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

Specific enquiry has been made to all the Directors and they have confirmed that they have complied with the Model Code during the year ended 31 December 2025. No incident of non-compliance of the Model Code by the relevant employees has been noted by the Company during the year ended 31 December 2025.

Board of Directors

Board Composition

As at the Latest Practicable Date, the Board comprises three executive Directors and six independent non-executive Directors. The composition of the Board is as follows:

Executive Directors

Dr. De-Chao Michael Yu *(Chairman of the Board and Chief Executive Officer)*
Mr. Ronald Hao Xi Ede
Ms. Qian Zhang

Independent non-executive Directors

Dr. Charles Leland Cooney
Ms. Joyce I-Yin Hsu
Mr. Gary Zieziula
Dr. Shun Lu
Mr. Shuyun Chen *(Lead Independent Non-executive Director)*
Dr. Stephen A. Sherwin *(appointed on 26 August 2025)*

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 80 to 86 of this annual report.

None of the members of the Board is related to one another.

Chairman and Chief Executive

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company does not have separate chairman of the Board and chief executive officer, and Dr. De-Chao Michael Yu, the executive Director, currently performs these two roles. The Board believes that vesting the roles of both chairman of the Board and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Board Meetings, Committee Meetings and General Meetings

Code provision C.5.1 of the Corporate Governance Code stipulates that board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communication.

A summary of the attendance record of the Directors at Board meetings and committee meetings during Reporting Period is set out in the following table below:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategy Committee	Annual General Meeting
Executive Directors:						
Dr. De-Chao Michael Yu	8/8	N/A	N/A	1/1	1/1	1/1
Mr. Ronald Hao Xi Ede	8/8	N/A	N/A	N/A	1/1	1/1
Ms. Qian Zhang	8/8	N/A	N/A	N/A	1/1	1/1
Independent Non-executive Directors:						
Dr. Charles Leland Cooney	7/8	2/2	N/A	1/1	1/1	1/1
Ms. Joyce I-Yin Hsu[1]	8/8	2/2	2/2	N/A	N/A	1/1
Mr. Gary Zieziula	8/8	2/2	2/2	N/A	1/1	1/1
Dr. Shun Lu	6/8	N/A	N/A	N/A	1/1	1/1
Mr. Shuyun Chen	8/8	2/2	2/2	1/1	1/1	1/1
Dr. Stephen A. Sherwin[2]	4/4	N/A	N/A	N/A	1/1	N/A

Notes:

(1) Ms. Hsu has been appointed as a member of the Nomination Committee since 31 March 2025.

(2) Dr. Sherwin has been appointed as an independent non-executive Director and a member of the Strategic Committees since 26 August 2025.

Apart from regular Board meetings, the Chairman of the Board also held meetings with the independent non-executive Directors without the presence of other executive Directors during the year.

Independence of Independent Non-Executive Directors

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

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Corporate Governance Report

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of Directors are laid down in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and succession planning for Directors and assessing the independence of independent non-executive Directors.

Each of the executive Directors and independent non-executive Directors has entered into a service agreement or a letter of appointment with the Company, the term of service for each of them is three years from the date of appointment or re-appointment.

All the Directors are subject to retirement by rotation and re-election at annual general meeting. Pursuant to the Articles of Association, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office and be eligible for re-election at each annual general meeting, provided that every Director is subject to retirement by rotation at least once every three years. In addition, any new Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting and be subject to re-election.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is the primary decision making body of the Company and is responsible for overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board makes decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

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

The Board would regularly review the contribution required from each Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performs them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the Group's senior management whom are responsible for overseeing the general operation, business development, finance, marketing, and operations.

Directors' and Officers' Liabilities Insurance

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against Directors, officers and senior management of the Company arising out of corporate activities.

Board Committees

The Board has established four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Strategy Committee for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference.

Audit Committee

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. During the Reporting Period, the Audit Committee comprises four independent non-executive Directors, namely Ms. Joyce I-Yin Hsu, Dr. Charles Leland Cooney, Mr. Gary Zieziula and Mr. Nick Chen. Ms. Hsu is the chairwoman of the Audit Committee.

The primary duties of the Audit Committee are to review and supervise the financial reporting, risk management and internal controls system and the ESG issues of the Group, review and approve connected transactions and to advise the Board. The terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The Audit Committee held 2 meetings during the Reporting Period. The following is a summary of work performed by the Audit Committee during the Reporting Period:

- reviewed the annual and interim results and reports, the Group's financial and accounting policies and practices and the scope of audit and appointment of auditors;
- reviewed the financial controls system and engagement of non-audit services;
- reviewed the risk management and internal control and compliance systems, the effectiveness of the internal audit function and discussed with the management and internal audit on their findings;
- discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company;
- reported to the Board on the matters in the CG Code; and
- supervised the Company's ESG issues and evaluated the performance.

The Audit Committee also met Deloitte Touche Tohmatsu, the external auditors of the Company.

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference, in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. During the Reporting Period, the Remuneration Committee comprises three independent non-executive Directors, namely Ms. Joyce I-Yin Hsu, Mr. Nick Chen and Mr. Gary Zieziula. Ms. Hsu is the chairwoman of the Remuneration Committee.

The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The Remuneration Committee held 2 meetings during the Reporting Period. The following is a summary of work performed by the Remuneration Committee during the Reporting Period:

- determining the policy for the remuneration of executive directors;
- assessing performance of executive directors and approving the terms of executive directors' service contracts, performed by the remuneration committee;
- made recommendations to the Board on the remuneration package of the individual executive Directors and senior management;
- reviewed and made recommendations to the Board on the remuneration of the independent non-executive Directors;
- reviewed and made recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and senior management;
- reviewed and made recommendations to the Company on the organization structure, team building and human resources development strategy; and
- reviewed and made recommendations to the Board on the Company's RS and option grant plans to the key talents in 2025.

During the Reporting Period, the Remuneration Committee has reviewed and approved the following material matters in relation to its share schemes:

- the grant of share options and Restricted Shares under the 2024 Share Scheme on 28 March 2025 to each of Dr. Yu, Mr. Ede, Ms. Zhang, Ms. Hsu, Dr. Cooney, Mr. Zieziula and Mr. Nick Chen;

- the grant of share options and Restricted Shares under the 2024 Share Scheme on 29 August 2025 to Dr. Sherwin; and

- In relation to the above grants of share options and restricted shares to independent non-executive Directors, there are no performance targets attached to the options and restricted shares granted. Having considered that the main duties of the independent non-executive Directors to the Company include providing independent judgment and reviewing major decisions made by the Board, the Remuneration Committee is of the view that in order to incentivize the independent non-executive Directors and to preserve their objectivity and independence, the grant of options and restricted shares to independent non-executive Directors without performance targets is market competitive, consistent with the Company's remuneration policy and aligns with the purpose of the 2024 Share Scheme.

For details of the grants of share options and grant of Restricted Shares to Directors, please refer to the announcements of the Company dated 28 March 2025 and 29 August 2025, and the circular of the Company dated 3 June 2025.

Directors' Remuneration Policy

The remuneration of Directors comprises an annual directors' fee and may also be entitled to options and/or awards under the rules of the share option scheme or share award scheme adopted by the Company from time to time. Such remuneration is determined and recommended by the Remuneration Committee with reference to the respective Directors' duties and responsibilities with the Company, the Company's remuneration policy (as disclosed in this annual report) and the prevailing market conditions.

Details of the Directors' remuneration for the year ended 31 December 2025 are set out in Note 11 to the consolidated financial statements. The senior management of the Group comprises Dr. Yu and Mr. Ede (who are also Directors) and Ms. You, details of their remuneration for the year ended 31 December 2025 are set out in Note 35B to the consolidated financial statement.

Nomination Committee

The Company established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. During the Reporting Period, the Nomination Committee comprises the executive Director, Dr. De-Chao Michael Yu, and three independent non-executive Directors, namely Dr. Charles Leland Cooney, Mr. Nick Chen and Ms. Joyce I-Yin Hsu (since her appointment on 31 March 2025). Mr. Nick Chen is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession. The terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

The Nomination Committee held 1 meeting during the Reporting Period. The following is a summary of work performed by the Nomination Committee during the Reporting Period:

- reviewed and determined the Board diversity policy and the Director nomination policy;

- assessed the independence of the independent non-executive Directors;

- considered and/or made recommendations to the Board on the re-election of Directors;

- reviewed the structure, size and composition of the Board and assisted the Board in maintaining a board skills matrix;

- reviewed new director candidate and proposed to the Board for appointment; and
- supported the Company's regular evaluation of the Board's performance.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board diversity policy, details of which will be set out in the section headed "Board Diversity Policy".

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence (for appointment of independent non-executive Directors), and Board diversity aspects, where appropriate, before making recommendation to the Board. The details of which will be set out in the section headed "Director Nomination Policy".

Strategy Committee

The Company has established a Strategy Committee. During the Reporting Period, the Strategy Committee comprises three executive Directors, namely Dr. De-Chao Michael Yu, Mr. Ronald Hao Xi Ede and Ms. Qian Zhang, and five independent non-executive Directors namely Dr. Charles Leland Cooney, Mr. Gary Zieziula, Dr. Shun Lu, Mr. Nick Chen and Dr. Stephen A. Sherwin (since his appointment on 26 August 2025). Dr. Yu is the chairman of the Strategy Committee.

The primary duties of the Strategy Committee are to provide strategic guidance and advice in relation to the Company's business development.

The Strategy Committee held 1 meeting during the Reporting Period. The following is a summary of work performed by the Committee during the Reporting Period:

- reviewed the Company's strategy, long-term and short-team goals, and provide improving advices; and
- review the Company's commercial model, R&D strategy and business development strategy and provide strategies guidance.

Company's Culture

The Board believes that corporate culture underpins the long-term business, economic success and sustainable growth of the Group. A strong culture enables the Company to deliver long-term sustainable performance and fulfil its role as a responsible corporate citizen. The Company is committed to developing a positive and progressive culture that is built on its Purpose, Mission, Vision, strategy and core values.

During 2025, the Company continued to strengthen its cultural framework by focusing on the following:

- Spirit: Start with Integrity, Succeed through Action.
- Mission: To empower patients worldwide with affordable, high-quality biopharmaceuticals.
- Vision: To be a premier global biopharmaceutical company.
- Strategy: To discover new medicines through innovation and deliver them through our global platforms.
- Values: Integrity, Learning agility, Dedication, Cooperation.

The Board sets and promotes the above corporate culture and expects and requires all employees to reinforce such culture. All of our new employees are required to attend orientation and training programs so that they have a better understanding of our corporate culture, structure and policies, learn relevant laws and regulations, and raise their quality awareness. The Company has developed a series of programs to train our employees and management. In addition, from time to time, the Company will invite external experts to provide training to our management personnel to improve their relevant knowledge and management skills.

The Company also rewards employees and teams with outstanding performance not only based on business performance but also based on core values. Through these approaches, the management and employees integrate their development with the realization of the Company's mission and vision, which do contribute to the Company's performance and growth.

The Board annually reviews the Company's business model, strategy and goals and evaluate the performance to ensure the long-term sustainable development of the Company. The Board considers that the corporate culture and the purpose, values and strategy of the Group are aligned.

Board Diversity Policy

The Company has adopted a board diversity policy (the "**Diversity Policy**") in accordance with the Corporate Governance Code, which sets out the approach to achieve diversity of the Board. The Company embraces the benefits of having a diverse Board to maintain the Company's competitive advantage and enhance its ability to attract, retain and motivate employees from the widest possible pool of available talent.

Pursuant to the Diversity Policy, the Company seeks to achieve Board diversity through the consideration of a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. The Company is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Nomination Committee will discuss and agree periodically on the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

At present, the Board considered an appropriate balance of diversity perspectives of the Board is maintained and the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption.

During the Reporting Period, the Board has reviewed and considered the implementation of the Diversity Policy to be effective. The Diversity Policy is well implemented as evidenced by the fact that there are both female and male Directors from a diverse age group with experience from different industries and sectors. The Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, internal control, biopharmaceuticals R&D, medicinal chemistry, CMC, sales and marketing, investment management and finance. They obtained degrees in various areas including business administration, molecular genetics, biochemical engineering, material medica and medical. Gender diversity of the Board stands at 22.2%, representing two female out of nine Directors. The Board targets to maintain at least the current level of female representation and will continue to regularly review the number of female representation on the Board with the ultimate goal of achieving gender diversity.

In addition, the Board diversity has been embedded in the Directors nomination process and criteria and Board succession planning considerations to further enhance the Board diversity.

Workforce Diversity

The total gender diversity of the Group is balanced, at 51%, representing 3,825 females out of 7,502 employees (including senior management). The Group has a strong focus on promoting gender diversity in the workforce, the Company targets to maintain the current level of female representation and will continue to regularly review the percentage of female representation in the workforce with the ultimate goal of achieving gender diversity. To support the achievement of these Workforce Diversity, specific initiatives have included a review of the recruitment process, with job descriptions and postings amended to motivate a broader applicant pool, as well as changes to applicant screening and interviews. In addition, to support diversity across all facets, the Group is enhancing diversity and inclusion efforts through employee networks, mentoring programmes, equitable hiring practices, policies and awareness raising events and training for all employees to support inclusive behaviours. In addition, as an important force in the Company's development, female enjoyed equal development opportunities and specific humanistic care.

Director Nomination Policy

On 6 December 2018, the Company adopted a director nomination policy (the "**Director Nomination Policy**") in accordance with the Corporate Governance Code. The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall identify, consider and recommend to the Board appropriate candidates to serve as Directors and to make recommendations to the Shareholders. The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

The Director Nomination Policy sets out the non-exhaustive factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- reputation for integrity;
- professional qualifications and skills;
- accomplishment and experience in the pharmaceutical and biologics markets;
- commitment in respect of available time and relevant interest;
- independence of proposed independent non-executive Directors; and
- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

In general, the nomination process of Directors is as follows:

Appointment of New Directors:

- The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to external recruiting agents, internal promotion, re-designation etc.
- The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria of directorship to determine whether such candidate is qualified and suitable for the directorship of the Company.
- If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

Where appropriate, the Nomination Committee and/or the Board should make recommendation to Shareholders in respect of the proposed election of Director at the general meeting.

Re-election of Director at General Meeting:

- The Nomination Committee and/or the Board should review the overall contribution and services to the Company of the retiring Director and the level of participation and performance on the Board.

- The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria of directorship.

- The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

In terms of succession planning, the following considerations will be used by the Nomination Committee in making recommendations:

- required knowledge, skills and experience at a full Board composite level to effectively fulfil the Board's legal role and responsibilities;

- an appropriate balance of diversity across the Board;

- personal qualities of each candidates;

- continuity through a smooth succession of Directors; and

- compliance with the relevant legal and regulatory requirements.

The Nomination Committee will review the Director Nomination Policy, as and when appropriate, and recommend revision to the Board for consideration and approval.

Corporate Governance Function

The Board is responsible for performing the functions set out in code provision of the Corporate Governance Code.

The Board would review the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the Corporate Governance Code and disclosure in its Corporate Governance Report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The joint company secretaries of the Company may from time to time and as the circumstances require provide updated written training materials and/or conduct training programs relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

Dividend Policy

On 6 December 2018, the Company adopted a dividend policy (the "**Dividend Policy**") in accordance with the Corporate Governance Code. The Company does not have any pre-determined dividend payout ratio and intends to retain most, if not all, of available funds and any future earnings to operate and expand the business of the Company. Dividends may only be declared and paid out of the profits and reserves of the Company lawfully available for distribution (including share premium), and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. The Dividend Policy also outlines the factors that the Board should take into account in determining any dividend for distribution to the Shareholders, including future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board considers relevant. Any future dividend payments to the Shareholders will also depend upon the availability of dividends received from the Group's subsidiaries.

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

Board Independence Policy

The Company recognizes that Board independence is key to good corporate governance. As part of the established governance framework, the Group has adopted the board independence mechanisms (the "**Board Independence Mechanisms**") during 2025, which demonstrates the Company's commitment to high standards of corporate governance, and making good governance integral to the Company's culture.

According to the Board Independence Mechanisms, the Board, Board committees or individual Directors may seek such independent professional advice, views and input as considered necessary to fulfil their responsibilities and in exercising independent judgement when making decisions in furtherance of their Directors' duties at the Company's expense. Independent professional advice shall include legal advice and advice of accountants and other professional financial advisers on matters of law, accounting, tax and other regulatory matters.

In the event that independent professional advice, views and input are considered necessary, the Board, Board committees or individual Directors shall communicate with the company secretary to start the Board Independence Mechanism, providing background and details of the relevant incidents and/or transactions, and the issues involved which would require independent views and input. They may direct any questions, queries, concerns or specific advice to be sought to the company secretary who will then contact the Company's professional advisers (including legal advisers, accountants, independent auditor, internal control adviser) or other independent professional parties to obtain such independent professional advice within a reasonable period of time. Any advice obtained through the Board Independence Mechanism shall be duly documented and made available to other members of the Board.

Despite having obtained any information or advice from the chairperson of the Board and/or any independent professional advisers through the Board Independence Mechanism, the Directors are expected to exercise independent judgement in forming their decisions.

During the Reporting Period, the Board has reviewed and considered the implementation of the Board Independence Mechanism to be effective.

The Company adopted the anti-corruption and whistleblowing policy (the "**Anti-corruption and Whistleblowing Policy**") in 2023, which outlines the principles and guidelines that the Company intends to apply to promote and support anti-corruption laws and regulations and establishes a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity with the internal control department of the Company, which will then report to the Audit Committee about any material improprieties related to the Company. These policies are reviewed from time to time to ensure their relevance and appropriateness to the Group's business, corporate strategy and stakeholder expectations.

Board Performance Evaluation for 2025

The Company regards board evaluation as a critical tool to access Board effectiveness and efficiency. The Company has engaged an external independent service provider to conduct the review via a structured Board and committee self-assessment survey. The objective of the evaluation is to conduct a review of the performance and effectiveness of the Board and to direct the Directors' attention to areas where there may be opportunities to maximize the strengths of the Board and its committees, and to highlight areas for improvements to be prioritized.

The performance review was conducted externally with each of the Directors by completing a structured survey to provide individual ratings as well as comments covering the Board and its committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. The survey covers various aspects, including the Board and board committees' structure and skills, leadership, operation and dynamics, role and responsibilities, information flow, meetings, training, risk management and internal control as well as the process and procedures.

Key Observations

Based on the performance review for the Reporting Period, positive feedback was received and the Directors are satisfied with the performance of the Board and its board committees and considers its existing practice as effective with the following strengths:

The Board

The Board exhibits confidence in its governance effectiveness, demonstrating robust oversight aligned with corporate governance standards. It excels in Board composition, diversity, leadership commitment, and continuous learning, while effectively fulfilling its obligations and supporting directors. The Board provides clear strategic direction, balancing short-term and long-term objectives, fostering a strong organizational culture, and integrating ESG considerations into decision-making. It maintains proactive risk oversight, effective whistleblowing mechanisms, and rigorous decision evaluation. Through well-structured meetings, timely updates, and thoughtful discussion, the Board ensures strong strategy execution and productive management relationships, with the chairman facilitating discussions effectively and independent non-executive Directors having appropriate access for independent dialogue.

Board Committees

The Board committees demonstrate strong governance effectiveness. The Audit Committee shows robust oversight of financial reporting, risk management, and audit functions through well-structured meetings and constructive engagement with auditors. The Remuneration Committee maintains clear role clarity and regulatory compliance, keeping the approach transparent and aligning with the Company's strategy. The Nomination Committee fulfils its responsibilities reasonably well.

Board Skill Matrix

The following is the board skills matrix of the Company for the year ended December 31, 2025:

Board skills matrix			
Skills area	**Description**	**Importance** (Note)	**Adequacy**
Corporate Strategy	Expertise in advising and overseeing strategic development and direction, assessing risks and trends, driving value and holding management accountable for strategic execution.	E	●
Leadership	Strategic vision, oversight, collaborative leadership, ethical governance, and effective execution performance supervision.	E	●
Biopharmaceuticals Industry Knowledge	Significant professionality and experience in management level positions in a company or industry involving biopharmaceutical, healthcare products, or healthcare services sectors.	E	●
Science and Innovation	Extensive experience in biotech R&D oversight, clinical trial expertise, regulatory science acumen, IP protection, and innovation pipeline governance.	E	●
Marketing and Sales	Strategic or management experience involving the marketing and branding of biopharmaceutical or healthcare products, or healthcare.	E	●
Finance and Accounting	Significant experience in reading and interpreting corporate financial statements, and advising on corporate capital allocation, supported by robust financial knowledge and analytical capabilities in accounting and corporate finance.	E	●
Diversity	Board diversity in terms of age, gender, geographic origin, educational background, industry expertise, functional specialization and cultural background.	E	●
Risk Management, Internal Control and Compliance	Proven expertise in risk identification, assessment, mitigation, compliance oversight, and internal control review.	E	●
International Business	Comprehensive understanding of global market insight, cross-border strategy, international compliance, cultural agility, and global risk oversight.	E	◖
Emerging topics	Comprehensive understanding of key emerging areas such as artificial intelligence, geopolitical risks to ensure that the Company maintains a forward-thinking approach and effectively advances its corporate business objectives.	F	◖

Notes:

"E" = essential skills that should currently be in the board's possession

"F" = skills that should be enhanced for future purposes/in light of anticipated emerging needs

Directors' Responsibility in Respect of the Financial Statements

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

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

Continuous Professional Development of Directors

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

Every newly appointed Director should receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Dr. Stephen A. Sherwin (appointed on 26 August 2025) obtained legal advice on 18 August 2025 as required under rule 3.09D of the Listing Rules from the legal advisor of the Company and confirmed he understood his obligations as the director of a listed company.

During the Reporting Period, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

During the Reporting Period, all of the Directors, namely Dr. De-Chao Michael Yu, Mr. Ronald Hao Xi Ede, Ms. Qian Zhang, Dr. Charles Leland Cooney, Ms. Joyce I-Yin Hsu, Mr. Gary Zieziula, Dr. Shun Lu, Mr. Nick Chen and Dr. Stephen A. Sherwin attended the training/seminar/conference arranged by the Company or other external parties or reading relevant materials. The content of such training related to the duties of directors and on-going obligations of listed companies and climate change and sustainable development.

Auditors' Responsibility and Remuneration

The Company appointed Deloitte Touche Tohmatsu as the external auditor for the year ended 31 December 2025. A statement by Deloitte Touche Tohmatsu about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 107 to 111.

Details of the fees paid/payable in respect of the audit and non-audit services provided by Deloitte Touche Tohmatsu for the year ended 31 December 2025 are set out in the table below:

Services rendered for the Company	Total Fees paid and payable RMB'000
Audit services:	
Annual audit services	3,861
Assurance services of review of interim result	1,100
Non-audit services:	
Tax advisory services	1,285
Total	6,246

Risk Management and Internal Controls

The Board acknowledges that it is responsible for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. During the Reporting Period, the Board had conducted an semi-annual review of the effectiveness of the risk management internal control system of the Company (including all material controls, including financial, operational and compliance controls) and considered the system effective and adequate.

The Company has established a complete risk management and internal control system, comprising internal control environment, risk assessment, control activities, information and communication, and supervision, to ensure the legality and compliance of the Group's operations, asset security, truthfulness and completeness of financial reports and related information, continuous improvement of operational efficiency and effectiveness, and to safeguard the Group's long-term sustainable development strategy.

The Board is responsible for determining the goals of risk management, continuously monitoring the risk management and internal control system, and ensuring its effectiveness. The Audit Committee directly reviews and supervises the effectiveness of risk management and internal control systems, and report to the Board. The senior management is responsible for leading and organizing the establishment, implementation, and supervision of risk management and internal control system. The Company has established three lines of defense for risk management, including each of the responsible departments, management departments, and supervision departments. All three lines of defense work together in a closed cycle providing oversight and supervision to each other. The three lines of defense comprehensively controlled risk loopholes, and effectively reducing the occurrence of risks in the Company's operational process. The Company has also established an internal audit department and has designated the relevant personnel who is responsible for identifying, analyzing, and monitoring issues related to risk management and internal control within the group, and directly report to the Audit Committee semi-annually.

The Company has developed a scientific and comprehensive risk assessment and monitoring process and system. Based on specific risk assessment methods, the Company regularly conducts risk identification, risk analysis, risk assessment, and risk monitoring, analyzes the root causes of major risks, determines risk warning indicators, establishes warning mechanisms, develops and implement improvement plans. The Company continuously monitors major risks and adjusts control measures based on actual situations. Based on the external macro environment, feedbacks from internal and external stakeholders, the strategy and goals, and operation and management situation, the Company determines the annual focus of the risk identification and continuously improve the risk management and internal control system. Meanwhile, we have adopted various information technology software for process operation, to further reduce risks and improve operation efficiency.

The Group has also adopted an information disclosure policy which sets out comprehensive guidelines in respect of handling and dissemination of inside information. The Board is responsible for monitoring and implementing the procedural requirements in the information disclosure policy. Release of inside information shall be overseen by the Board. Unless authorised by the Board, staff members of the Group are not permitted to disseminate inside information relating to the Group to any external parties and are not permitted to respond to media or market speculation which may materially affect the trading price or volume of the Shares on the market.

In the ordinary course of the Group's business, sensitive data is collected and stored, including, among other things, identity information about our employees, intellectual property, and proprietary business information. The Group manages and maintains our applications and data utilising on-site systems. These applications and data encompass a wide variety of business critical information including commercial information, and business and financial information. The Group has implemented relevant internal procedures and controls to ensure that such sensitive data is protected and that leakage and loss of such data is avoided. The Company established department of information security.

The Audit Committee and management together monitor the implementation of our risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient. Arrangements are in place to identify, evaluate and manage significant risks including facilitating employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. Our management, under the supervision of our Board or a committee of our Board takes reasonable steps to (i) monitor compliance with the code, and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of the code.

In 2025, the Board and Audit Committee continue to review and monitor, and continually adopting new mechanisms to improve the internal control procedures and policies for the accounting of share-based payment.

Joint Company Secretaries

Ms. Yanju Wang, the joint company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has also externally engaged Ms. Lok Yee Chan, a senior manager of the company secretarial services department of Vistra Corporate Services (HK) Limited, as another joint company secretary to assist Ms. Wang in discharging the duties of a company secretary of the Company. Her primary contact person at the Company is Ms. Wang.

During the Reporting Period, Ms. Yanju Wang and Ms. Lok Yee Chan have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

Shareholders' Rights

Convening of Extraordinary General Meetings ("EGM") by Shareholders

Pursuant to article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. General meetings shall also be convened on the written requisition of any one or more Shareholders deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company which carries the right of voting at general meetings of the Company.

General meetings may also be convened on the written requisition of a Shareholder which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the voting rights, on a one vote per share basis, in the share capital of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Companies Law of Cayman Islands (as revised and amended from time to time) or the Articles of Association. However, shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph above.

As regards the procedures for shareholders to propose a candidate for election as a Director, they are available on the Company's website at www.innoventbio.com.

Putting Forward Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board of the Company, Shareholders may send written enquiries to the Company.

Shareholders may send their enquiries and concerns to the Board by addressing them to the below details:

Address:	168 Dongping Street Suzhou Industrial Park China 215123
Telephone:	(86) 0512-69566088
Fax:	(86) 0512-69566088-8348
Email:	ir@innoventabio.com

Communication with Shareholders and Investors Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has adopted a shareholders' communication policy (the "**Shareholders' Communication Policy**"), which aims to set out the approach of the Board to provide Shareholders of the Company and other stakeholders (including potential investors) with balanced and understandable information about the Company. For details of the policy, please refer to the Company's website. In accordance with the Shareholders' Communication Policy, the Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings, annual and interim earning release meetings, road shows and other communication meetings and social networks. At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

Also, the Company discloses information and publishes periodic reports and announcements to the public on the Stock Exchange's website in a timely manner in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and does not contain any material omission, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. To promote effective communication, the Company maintains a website at www.innoventbio.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Company considers effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company has reviewed and considered the implementation of the Shareholders' communication to be effective during the Reporting Period.

Changes in Constitutional Documents

During the Reporting Period, the Company did not made any significant changes to its constitutional documents.

A latest version of the Articles of Association is available on the websites of the Company and the Stock Exchange.

Independent Auditor's Report

Deloitte. 德勤

TO THE SHAREHOLDERS OF INNOVENT BIOLOGICS, INC.
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Innovent Biologics, Inc. (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 112 to 223, which comprise the consolidated statement of financial position as at 31 December 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 31 December 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 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. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition of sales of pharmaceutical products	
We identified the revenue recognition of sales of pharmaceutical products as a key audit matter due to the significant amount of sales of pharmaceutical products relative to the financial statements and its importance as a key performance indicator for management. The Group recognised RMB11,895,929,000 of revenue from sales of pharmaceutical products, representing 91% of the total revenue from contracts with customers as disclosed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025. For the sale of pharmaceutical products, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location and accepted by customers. The Group's specific disclosures about revenue recognition of sales of pharmaceutical products are included in note 5 to the consolidated financial statements.	Our procedures in relation to the revenue recognition of sales of pharmaceutical products included: • Obtaining an understanding of the key controls over the revenue recognition process of sales of pharmaceutical products. Evaluating the design and implementation of these controls and testing their operating effectiveness; • Obtaining the sales contracts with key customers with other supporting documents, and reviewing the key terms. Evaluating whether the revenue recognition is in compliance with the accounting standards and the Group's accounting policy; • Performing confirmation procedure with the distributors on the terms of sales return on a sample basis, and comparing with the relevant contracts obtained from the Group. • Performing test of details on occurrence of the sales transactions, on a sample basis, by checking the recorded revenue transactions to goods received notes and other supporting documents, and • Performing test of details on sales return during the year, on sample basis and reviewing the subsequent sales return to assess whether there was any indication of channel stuffing.

Other Information

The directors of the Company 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 of the Company 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 of the Company.

- Conclude on the appropriateness of the directors of the Company's 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 activities 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 Cheung, Wilfred (practicing certificate number: P06757).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	NOTES	**2025 RMB'000**	2024 RMB'000
Revenue from contracts with customers	5	**13,041,523**	9,421,888
Cost of sales		**(1,756,019)**	(1,510,210)
Gross profit		**11,285,504**	7,911,678
Other income	6	**560,053**	535,907
Other gains and losses	7	**(246,848)**	250,000
Research and development expenses		**(2,624,214)**	(2,681,074)
Administrative and other expenses		**(926,984)**	(738,046)
Selling and marketing expenses		**(5,712,907)**	(4,346,892)
Royalties and other related payments		**(1,319,294)**	(901,538)
Share of results of an associate	18	**(96,788)**	(41,009)
Finance costs	8	**(79,598)**	(67,647)
Profit (loss) before tax	9	**838,924**	(78,621)
Income tax expense	12	**(25,359)**	(16,010)
Profit (loss) for the year		**813,565**	(94,631)
Other comprehensive income (expense)			
Item that will not be reclassified subsequently to profit or loss			
Fair value gain on investment in equity instruments at fair value through other comprehensive income ("**FVTOCI**")		**–**	60,985
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**43,498**	(17,039)
Other comprehensive income for the year, net of income tax		**43,498**	43,946
Total comprehensive income (expense) for the year		**857,063**	(50,685)
Earnings (loss) per share	13		
– Basic (RMB Yuan)		**0.48**	(0.06)
– Diluted (RMB Yuan)		**0.47**	(0.06)

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	14	**5,061,237**	5,279,611
Right-of-use assets	15	**380,262**	367,631
Investment properties		**27,799**	–
Intangible assets	16	**1,534,247**	1,282,603
Investment in an associate	18	**762,203**	858,991
Prepayments for acquisition of long-term assets		**22,782**	146,661
Prepayments and other receivables	21	**348,533**	352,363
Contract cost	22	**99,822**	–
Other financial assets	23	**6,291,367**	2,766,905
Term deposits	24	**806,252**	275,000
		15,334,504	11,329,765
Current assets			
Inventories	19	**1,301,745**	822,167
Trade receivables	20	**1,713,832**	1,184,407
Prepayments and other receivables	21	**729,072**	382,523
Contract cost	22	**37,240**	–
Other financial assets	23	**886,741**	375,555
Bank balances and cash	24	**17,344,705**	7,508,185
		22,013,335	10,272,837
Current liabilities			
Trade and bills payables	25	**494,589**	357,677
Other payables and accrued expenses	26	**4,779,553**	3,340,852
Contract liabilities	27	**2,312,224**	256,411
Borrowings	28	**789,170**	405,100
Lease liabilities	29	**11,029**	8,829
		8,386,565	4,368,869
Net current assets		**13,626,770**	5,903,968
Total assets less current liabilities		**28,961,274**	17,233,733

Consolidated Statement of Financial Position

At 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Contract liabilities	27	**6,148,796**	567,780
Borrowings	28	**1,989,601**	2,412,354
Lease liabilities	29	**25,975**	4,760
Subsidized grants	30	**797,647**	647,292
Other financial liabilities	31	**620,662**	460,960
Provisions for reinstatement cost		**22,350**	22,858
		9,605,031	4,116,004
Net assets		**19,356,243**	13,117,729
Capital and reserves			
Share capital	32	**119**	113
Reserves		**19,356,124**	13,117,616
Total equity		**19,356,243**	13,117,729

The consolidated financial statements on pages 112 to 223 were approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

Yu, De-Chao Michael
DIRECTOR

Ede, Hao Xi Ronald
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital RMB'000	Share premium RMB'000	FVTOCI reserve RMB'000	Other reserve RMB'000 (note)	Translation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	112	27,324,496	(105,154)	(313,652)	(20,111)	1,409,458	(15,767,568)	12,527,581
Loss and other comprehensive income (expense) for the year	–	–	60,985	–	(17,039)	–	(94,631)	(50,685)
Recognition of equity-settled share-based payment	–	–	–	–	–	556,521	–	556,521
Vesting of restricted shares (note 32(b))	–*	245,949	–	–	–	(245,949)	–	–
Exercise of share options (note 32(a))	1	152,179	–	–	–	(67,868)	–	84,312
Disposal of equity instruments at FVTOCI	–	–	44,169	–	–	–	(44,169)	–
At 31 December 2024	113	27,722,624	–	(313,652)	(37,150)	1,652,162	(15,906,368)	13,117,729
At 1 January 2025	**113**	**27,722,624**	**-**	**(313,652)**	**(37,150)**	**1,652,162**	**(15,906,368)**	**13,117,729**
Profit and other comprehensive income for the year	**-**	**-**	**-**	**-**	**43,498**	**-**	**813,565**	**857,063**
Placing of ordinary shares (note 32(c))	**4**	**3,889,836**	**-**	**-**	**-**	**-**	**-**	**3,889,840**
Issuance of ordinary shares (note 32(d))	**-***	**586,866**	**-**	**-**	**-**	**-**	**-**	**586,866**
Recognition of equity-settled share-based payment	**-**	**-**	**-**	**-**	**-**	**662,696**	**-**	**662,696**
Vesting of restricted shares (note 32(f))	**1**	**304,725**	**-**	**-**	**-**	**(304,726)**	**-**	**-**
Exercise of share options (note 32(e))	**1**	**395,287**	**-**	**-**	**-**	**(153,239)**	**-**	**242,049**
At 31 December 2025	**119**	**32,899,338**	**-**	**(313,652)**	**6,348**	**1,856,893**	**(15,092,803)**	**19,356,243**

Note: Other reserve included 1) effect of put option granted to non-controlling shareholders to convert their equity interests in a subsidiary to the preferred shares of the Company; 2) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of issuance of subsidiary's equity and the relevant proceeds received; 3) portion of deemed capital contribution over restricted shares or options granted to employees of subsidiary attributable to non-controlling interests and 4) effect of exercise of put option granted to non-controlling shareholders.

*: Amount is less than RMB1,000.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Profit (loss) before tax	**838,924**	(78,621)
Adjustments for:		
Loss on disposal of property, plant and equipment	**569**	22,987
Depreciation of property, plant and equipment	**450,776**	293,334
Amortisation of intangible assets	**130,233**	94,837
Impairment of intangible assets	**31,517**	632,574
Depreciation of right-of-use assets	**20,308**	31,597
Net foreign exchange losses (gains)	**353,434**	(134,569)
Gain from changes in fair value of other financial assets measured at fair value through profit or loss ("**FVTPL**")	**(4,556)**	(179,031)
Share of results of an associate	**96,788**	41,009
Share-based payment expenses	**662,696**	556,521
Research and development expenses borne by partners of joint operations	**–**	(32,005)
Subsidized grants income related to asset	**(24,447)**	(11,014)
Interest income	**(438,686)**	(423,454)
Interest on bank borrowings	**78,872**	64,253
Interest on lease liabilities	**726**	3,394
Loss from changes in fair value of other financial liabilities measured at FVTPL	**4,006**	36,323
Reversal of inventory allowance	**(28,118)**	(34,709)
Equity investment in exchange for license fee income	**(115,931)**	–
Operating cash flows before movements in working capital	**2,057,111**	883,426
(Increase) decrease in inventories	**(451,460)**	180,630
Increase in trade receivables	**(529,425)**	(178,516)
Increase in prepayments and other receivables	**(298,492)**	(212,351)
Increase in contract cost	**(137,062)**	–
Increase (decrease) in trade and bills payables	**136,912**	(14,872)
Increase in other payables and accrued expenses	**1,562,662**	660,056
Increase (decrease) in contract liabilities	**7,636,829**	(42,287)
Increase in subsidized grants	**24,578**	11,095
Cash generated from operations	**10,001,653**	1,287,181
Income tax paid	**(641)**	(157)
NET CASH FROM OPERATING ACTIVITIES	**10,001,012**	1,287,024

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES		
Interest received	**315,142**	660,464
Placement of term deposits with maturity dates over three months	**(14,484,149)**	(7,688,061)
Release of term deposits with maturity dates over three months	**12,003,967**	8,842,722
Placement of pledged bank deposit	**(47,296)**	(192,121)
Release of restricted/pledged bank deposits	**133,447**	915,107
Purchase of financial assets at FVTPL	**(2,452,429)**	(1,997,610)
Proceeds on disposal of financial assets at FVTPL	**1,834,759**	484,968
Purchase of other financial assets at amortised cost	**(4,177,705)**	(849,913)
Proceeds on disposal of other financial assets at amortised cost	**898,980**	858,296
Payments for leasehold land	**–**	(63,328)
Payments for rental deposits	**(5,522)**	–
Refund of rental deposits	**2,315**	–
Purchase of intangible assets	**(413,394)**	(676,419)
Purchase of property, plant and equipment	**(269,880)**	(965,665)
Proceeds from disposal of property, plant and equipment	**–**	270
Acquisition of investment in an associate	**–**	(900,000)
Receipt of subsidized grants related to property, plant and equipment	**150,225**	137,472
Proceeds from disposal of equity instruments at FVTOCI	**–**	279,286
Repayment to a partner of joint operations	**–**	(10,879)
NET CASH USED IN INVESTING ACTIVITIES	**(6,511,540)**	(1,165,411)
FINANCING ACTIVITIES		
Interest paid	**(95,239)**	(122,425)
New borrowings raised	**2,504,495**	515,571
Repayment of borrowings	**(2,543,178)**	(1,220,049)
Repayment of lease liabilities	**(12,059)**	(25,965)
Proceeds from issue of ordinary shares	**586,866**	–
Placing of ordinary shares	**3,889,840**	–
Proceeds from exercise of share options	**242,049**	84,312
Proceeds from other partners of investment funds consolidated	**155,696**	161,924
NET CASH FROM (USED IN) FINANCING ACTIVITIES	**4,728,470**	(606,632)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**8,217,942**	(485,019)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	**2,273,356**	2,745,693
Effects of foreign exchange rate changes	**(115,586)**	12,682
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (note 24)	**10,375,712**	2,273,356

1. GENERAL INFORMATION

Innovent Biologics, Inc. (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in research and development of antibody and protein medicine products, sale and distribution of pharmaceutical products, and provision of consultation and research and development services. The Company and its subsidiaries are 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 IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

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

New and Amendments to IFRS Accounting Standards in issue but not yet effective

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

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 Instrument[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 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards 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; provide disclosures on management-defined performance measures in the notes to the financial statements and improve 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.

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 IFRS Accounting Standards as issued by the 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 of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities including structured entities controlled by 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.

When the Group is an investor of a fund in which the Group also acts as a fund manager, the Group will determine whether it is a principal or an agent for the purpose of assessing whether the Group controls the relevant fund.

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

3.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

An agent is a party primarily engaged to act on behalf and for the benefit of another party or parties (the principal(s)) and therefore does not control the investee when it exercises its decision-making authority. In determining whether the Group is an agent to the fund, the Group would assess:

- the scope of its decision-making authority over the investee;
- the rights held by other parties;
- the remuneration to which it is entitled in accordance with the remuneration agreements; and
- the decision maker's exposure to variability of returns from other interests that it holds in the investee.

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 statement 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 recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. 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 recognising its share of further losses. Additional losses are provided for, and a liability is recognised 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. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

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 IFRS 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 recognised 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 recognised in accordance with IFRS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Changes in the Group's interests in an associate

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

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

3.2 Material accounting policy information (Continued)

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 5.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of the reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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 recognised 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 recognised in profit or loss on a systematic basis over the periods in which the Group recognises 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 recognised in "Subsidized grants" in the consolidated statement of financial position 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 recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of borrowing costs are deducted from the related expenses, other government grants are presented under "other income".

Employee benefits

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff's wages as contributions to the schemes. Payments to such retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

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

3.2 Material accounting policy information (Continued)

Share-based payments

Equity-settled share-based payment transactions

Restricted shares/Share options 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 the 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 recognised 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 options are exercised, the amount previously recognised in share-based payments reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to accumulated losses.

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

Taxation

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

The tax currently payable is based on taxable profit (loss) for the year. Taxable profit differs from profit (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 the reporting period.

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

Deferred tax is recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition 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 recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise 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 the 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 realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the 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 the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises 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.

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

3.2 Material accounting policy information (Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities and ultimate costs incurred for provisions for restoration, the Group applies IAS 12 requirements to the lease liabilities, the provisions for restoration and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities and the provisions for restoration to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised 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 taxes are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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 (other than construction in progress as described below). Property, plant and equipment are stated in the consolidated statement 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 recognised 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, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, 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 statement 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 recognised so as to write off the cost of assets other than construction in progress less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives, residual value 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 derecognised 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 recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straightline method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognized as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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

3.2 Material accounting policy information (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Research and development expenditure

Expenditure on research activities is recognised 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 recognised 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.

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 (Continued)

The amount initially recognised 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 recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Impairment on property, plant and equipment, right-of-use assets, contract costs 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 and intangible assets with finite useful lives and contract costs to determine whether there is any indication that those 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. Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash – generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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, contract costs and intangible assets (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of the cash-generating units. 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. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of the cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of the cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of the cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution. Trial batches manufactured prior to regulatory approval (including raw materials cost) is charged to research and development expenses when they are produced.

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

3.2 Material accounting policy information (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss for the period in which they are incurred.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of office equipment which are low-value assets. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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

3.2 Material accounting policy information (Continued)

Leases (Continued)

The Group as a lessee (Continued)

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;
- an estimate of costs to be incurred by the Group in restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises 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 incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; and a credit risk adjustment based on bond yields.

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)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

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

3.2 Material accounting policy information (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Restoration provisions

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets, Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

Financial instruments

Financial assets and financial liabilities are recognised 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 financial 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 recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised 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 recognised and derecognised 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 recognised financial assets are measured subsequently in their entirety at either amortised 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 amortised 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 the Group holds are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is not held for trading.

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)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised 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 recognised by applying the effective interest rate to the amortised 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 recognised 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.

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

Financial assets that do not meet the criteria for being measured at amortised cost.

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

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including term deposits, trade receivables, rental deposits, other receivables, investment notes, bank balances and cash) which are subject to impairment assessment under 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 reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed either individually for debtors with significant balances or collectively with appropriate groupings.

For all other instruments, 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 recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised 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 subject to impairment assessment under IFRS 9 (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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts and governmental bodies.

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;
- 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; and
- 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.

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 subject to impairment assessment under IFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

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.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurred when 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.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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 subject to impairment assessment under IFRS 9 (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and;
- External credit ratings where available.

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 subject to impairment assessment under IFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

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 amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item (note 7) as part of the net foreign exchange gains;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses' line item as part of the gain/(loss) from changes in fair value of other financial assets measured at FVTPL (note 7);

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the FVTOCI.

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)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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.

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 a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

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 (Continued)

Financial liabilities at FVTPL (Continued)

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at amortised cost

Financial liabilities including trade and bills payables, other payables and borrowings are subsequently measured at amortised 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 amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains and losses' line item in profit or loss (note 7) as part of foreign exchange gains for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, 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 recognised 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 judgement in applying accounting policies

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

Capitalisation of research and development expenditure

Development cost incurred on the Group's pharmaceutical product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development cost which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria are met for capitalisation.

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.

Research and development expenses accrued

The Group incurred significant Research and development expenses ("**R&D expenses**") of RMB2,624 million as disclosed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025, of which, RMB560 million R&D expenses were accrued as at 31 December 2025 as set out in note 26 to the consolidated financial statements. The Group relies on Outsourced Service Providers to conduct, supervise and monitor the Group's ongoing research and development projects. Determining the amounts of service fees payable to Outsourced Service Providers up to the end of each reporting period requires management of the Group to estimate and measure the progress of activities and milestones of services provided by Outsourced Service Providers on a contract-by-contact basis, which is the basis of assessing service fees to Outsourced Service Providers that had incurred and therefore should be accrued up to the end of each reporting period.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment assessment of capitalised development cost not yet available for use

Capitalised development cost not yet available for use is tested annually for impairment, or more frequently, if events or changes in circumstances indicate that they might be impaired. The Group capitalised expense in respect of the licenses for a few particular molecules with the goal of developing and commercializing.

Determining whether capitalised development cost is impaired requires an estimation of recoverable amount of the cash-generating unit to which the intangible assets belong, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further loss may arise.

As at 31 December 2025, the carrying amounts of capitalised development cost not yet available for use is RMB193 million (2024: RMB398 million). During the year ended 31 December 2025, an impairment loss of nil (2024: RMB479,303,000) is recognised in respect of certain capitalised development cost not yet available for use. Details of the assessment of impairment of intangible assets not yet available for use are disclosed in note 16.

Deferred tax asset

No deferred tax asset has been recognised on the tax losses of RMB5,758 million (2024: RMB7,118 million) and temporary differences of RMB4,437 million (2024: RMB4,365 million) due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the foreseeable future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on performance of sales of pharmaceutical products. In cases where the actual future taxable profits generated are more than expected, a material recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a recognition takes place.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Provision of ECL for trade receivables

Trade receivables with significant balances are assessed for ECL individually. In addition, for trade receivables which are individually insignificant, collective assessment is adopted. Management of the Group estimates the amount of lifetime ECL of trade receivables based on collective assessment through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, aging and/or past due status of respective trade receivables. Estimated loss rates are based on default rates over the expected life of the debtors and are adjusted for forward-looking information.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in note 37.

Recognition of revenue arising from collaboration

The Group entered into collaboration agreements and to provide licences to customers. Upfront fee, development milestone fee and other consideration received are recorded under contract liabilities. The Group transfers the contract liabilities to licence fee income over time on a systematic basis that is consistent with the customer receives and consumes the benefits. During the year ended 31 December 2025, licence fee income arising from collaboration of RMB233,540,000 (2024: RMB251,606,000) was recognised based on the actual sales against the total budgeted sales during the commercialisation period. Management revises its total budgeted sales from time to time based on changes in facts and circumstances.

Fair value measurements of financial instruments

As at 31 December 2025, certain of the Group's Level 3 unlisted equity investments and investments in preference shares amounting to RMB720,787,000 (2024: RMB576,026,000) are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See Note 37c for further disclosures.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers and segment information

Disaggregation of revenue from contracts with customers

The Group derives its revenue from the transfer of goods and services at a point in time and over time in the following major product lines:

	2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
A point in time		
Sales of pharmaceutical products	**11,895,929**	8,227,869
Licence fee income	**704,293**	837,580
	12,600,222	9,065,449
Overtime		
Research and development service fee income	**188,293**	93,783
Licence fee income	**253,008**	262,656
	441,301	356,439
	13,041,523	9,421,888

Segment information

For the purpose of resource allocation and assessment of segment performance, the chief executive officer of the Company, being the chief operating decision maker, focuses and reviews on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies set out in note 3. Accordingly, the Group has only one single operating segment and except for entity-wide disclosures, major customers and geographic information, no further analysis of the segment is presented.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

(i) Disaggregation of revenue from contracts with customers and segment information (Continued)

Geographical information

Substantially all of the Group's operations and non-current assets are located in the People's Republic of China ("**PRC**"). An analysis of the Group's revenue from external customers, analysed by their respective country/region of operation, is detailed below:

Revenue by geographical location

	2025 RMB'000	2024 RMB'000
The PRC	**12,069,480**	8,983,416
United States of America ("**USA**")	**380,605**	411,594
Europe	**571,809**	–
Other	**19,629**	26,878
	13,041,523	9,421,888

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Customer A (note)	**4,672,527**	4,259,365

Note: Customer A is a multinational group. Revenue from customer A is mainly from sales of pharmaceutical products and licence fee income.

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of pharmaceutical products

For the sale of pharmaceutical products, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the customer's specific location and accepted by customers. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. Under the Group's standard contract terms, customers can only return or request refund if the goods delivered do not meet required quality standards. Following the delivery, the customer bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are accepted to the customer. The normal credit term is 45 – 60 days upon acceptance.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies (Continued)

Sales of pharmaceutical products (Continued)

As at 31 December 2025, all outstanding sales contracts are expected to be fulfilled within 12 months after the end of the reporting period. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Licence fee income – over time

The Group entered into collaboration and other agreements and to provide licences to customers. Upfront fee, development milestone fee and other consideration received are recorded under contract liabilities. The Group transfers the contract liabilities to licence fee income over time on a systematic basis that is consistent with the customer receives and consumes the benefits.

Licence fee income – a point in time

The Group provides licence of its patented intellectual property ("**IP**") to customers. Licence fee income is recognised at a point in time upon the customer obtains control on the usage of the IP.

For contracts that contain variable consideration in relation to milestone payment and sales-based royalty from license agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Notwithstanding the above criteria, the Group shall recognise revenue for a sales-based royalty promised in exchange for a licence of IP only when (or as) the later of the following events occurs:

- the subsequent sale occurs; and
- the performance obligation to which some or all of the sales-based royalty has been allocated has been satisfied (or partially satisfied).

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND SEGMENT INFORMATION (Continued)

(ii) Performance obligations for contracts with customers and revenue recognition policies (Continued)

Research and development agreements with customers

The Group entered into research and development agreements with customers. The Group earns revenues by providing research services to the customers. Contract duration is over a year. Upfront payments (if any) received by the Group was initially recognised as a contract liability. Services revenue is recognised as a performance obligation satisfied over time as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group uses units produced/services transferred to the customer to date (output method) to measure progress towards complete satisfaction of these performance obligations. Payment for services is not due from the customer until the related payment milestone is completed and then a contract asset is transferred to trade receivables.

6. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Interest income	**438,686**	423,454
Subsidized grants (note)	**119,514**	112,453
Others	**1,853**	–
	560,053	535,907

Note: Subsidized grants include subsidies which are specifically for (i) the capital expenditure incurred for plant and machinery, which are recognised over the useful lives of the related assets; and (ii) the incentive and other subsidies for research and development activities and interest subsidies, which are recognised upon compliance with the attached conditions; and (iii) incentive which has no specific conditions attached to the grants.

7. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Loss on disposal of property, plant and equipment	**(569)**	(22,987)
Gain from changes in fair value of other financial assets measured at FVTPL (note 23)	**4,556**	179,031
Loss from changes in fair value of other financial liabilities measured at FVTPL	**(4,006)**	(36,323)
Net foreign exchange (losses) gains	**(246,829)**	130,279
	(246,848)	250,000

8. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank borrowings	**93,317**	124,273
Interest on lease liabilities	**726**	3,394
Total borrowing costs	**94,043**	127,667
Less: amounts capitalised in the cost of qualifying assets (note)	**(14,445)**	(60,020)
	79,598	67,647

Note: Borrowing costs capitalised during the year arose on special loans.

9. PROFIT (LOSS) BEFORE TAX

	2025 RMB'000	2024 RMB'000
Profit (loss) before tax has been arrived at after charging (crediting):		
Directors' emoluments (note 11)	**240,682**	196,113
Other staffs costs:		
Salaries and other allowances	**1,424,082**	1,166,099
Performance related bonus	**928,759**	848,024
Retirement benefit scheme contributions	**355,738**	290,462
Share-based payment expenses	**477,709**	412,818
Total staff costs	**3,426,970**	2,913,516
Depreciation of property, plant and equipment	**450,776**	293,334
Amortisation of intangible assets	**130,233**	94,837
Depreciation of right-of-use assets	**20,308**	31,597
Capitalised in inventories	**(200,459)**	(162,284)
	400,858	257,484
Auditors' remuneration	**3,861**	3,777
Cost of inventories recognised as an expense (exclude impairment losses)	**1,645,804**	1,216,771
Reversal of inventory allowance included in cost of sales	**(28,118)**	(34,709)
Intangible assets impairment loss, included in cost of sales	**31,517**	153,271
Intangible assets impairment loss, included in R&D expense	**–**	479,303

10. DIVIDENDS

No dividend was paid or proposed for the shareholders of the Company during the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

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

Directors

Details of the emoluments paid or payable to the directors of the Company and the chief executive of the Company by the group entities during the reporting period are as follows:

Year ended 31 December 2025

	Fees RMB'000	Salaries and other allowances RMB'000	Performance related bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Executive directors:					
Yu, De-Chao Michael ("**Dr. Yu**")	–	2,897	39,855	–	42,752
Ede, Hao Xi Ronald ("**Mr. Ede**")	–	2,539	4,445	–	6,984
Zhang, Qian	–	2,931	1,104	184	4,219
	–	8,367	45,404	184	53,955
Independent non-executive directors:					
Cooney, Charles L.	400	–	–	–	400
Hsu, I-Yin Joyce	400	–	–	–	400
Zieziula Gary	400	–	–	–	400
Chen, Shuyun	400	–	–	–	400
Sherwin, Stephen A (note a)	140	–	–	–	140
	1,740	–	–	–	1,740
	1,740	8,367	45,404	184	55,695

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors (Continued)

Year ended 31 December 2024

	Fees RMB'000	Salaries and other allowances RMB'000	Performance related bonus RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Executive directors:					
Dr. Yu	–	2,897	37,702	–	40,599
Mr. Ede	–	2,642	4,511	–	7,153
Zhang, Qian (note b)	–	1,944	736	111	2,791
	–	7,483	42,949	111	50,543
Independent non-executive directors:					
Cooney, Charles L.	400	–	–	–	400
Hsu, I-Yin Joyce	400	–	–	–	400
Chen, Kaixian (note c)	400	–	–	–	400
Chen, Shuyun (note d)	267	–	–	–	267
Zieziula Gary	400	–	–	–	400
	1,867	–	–	–	1,867
	1,867	7,483	42,949	111	52,410

Notes:

a. Sherwin, Stephen A was appointed as independent non-executive director on 26 August 2025.

b. Zhang, Qian was appointed as an executive director of the Company on 3 May 2024.

c. Chen, Kaixian resigned as independent non-executive director on 27 December 2024.

d. Chen, Shuyun was appointed as a non-executive director of the Company on 3 May 2024.

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Directors (Continued)

In addition, share-based payment expenses of RMB114,962,000 (2024: RMB95,173,000), RMB31,589,000 (2024: RMB25,539,000), RMB33,263,000 (2024: RMB17,118,000), RMB714,000 (2024: RMB913,000), RMB714,000 (2024: RMB913,000), RMB546,000 (2024: RMB172,000), RMB3,090,000 (2024: RMB3,510,000) and RMB109,000 (2024: nil) are respectively recognised in connection with the amortisation of share options and restricted shares charges on the employee stock option plan ("**ESOP**") and restricted shares ("**RS**") granted to Dr. Yu, Mr. Ede, Qian Zhang, Cooney, Charles L., Hsu, I-Yin Joyce, Chen Shuyun, Zieziula Gary and Sherwin, Stephen A.

The executive directors' emoluments shown above were for their services as directors of the Company in connection with management of the affairs of the Company and Group.

The independent non-executive directors' and non-executive director's emoluments shown above were for their services as directors of the Company.

Dr. Yu is also the chief executive of the Company, and his emoluments disclosed above included those services rendered by him as the chief executive.

Performance related bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

There was no arrangement under which a director of the Company or the chief executive waived or agreed to waive any remuneration during the both years.

Employees

The five highest paid individuals of the Group during the year included three directors (2024: three directors) of the Company, details of whose emoluments are set out above. The emoluments of the remaining two (2024: two) highest paid individuals who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Salaries and other allowances	**4,457**	16,732
Performance related bonus	**2,395**	13,529
Share-based payment expenses	**27,647**	3,124
Retirement benefits scheme	**394**	734
	34,893	34,119

11. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

Employees (Continued)

The emoluments of these five highest paid individuals during the reporting period were fell within the following bands:

	Number of individuals Year ended 31 December 2025	2024
Hong Kong Dollar ("**HK$**") 8,000,001 to HK$8,500,000	–	1
HK$18,500,001 to HK$19,000,000	1	–
HK$19,000,001 to HK$19,500,000	1	–
HK$21,500,001 to HK$22,000,000	–	1
HK$29,000,001 to HK$29,500,000	–	1
HK$35,500,001 to HK$36,000,000	–	1
HK$40,500,001 to HK$41,000,000	1	–
HK$42,000,001 to HK$42,500,000	1	–
HK$148,500,001 to HK$149,000,000	–	1
HK$172,000,001 to HK$172,500,000	1	–
	5	5

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of the directors of the Company nor the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

During the years ended 31 December 2025 and 2024, no payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable. Further, no consideration was provided to or receivable by third parties for making available directors' services. There are also no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities.

12. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax		
Income tax	**20,246**	620
Under provision in prior years	**837**	–
Withholding tax	**4,276**	15,390
	25,359	16,010

The Company is tax exempt under the laws of the Cayman Islands.

Innovent Biologics (HK) Limited ("**Innovent HK**") is subject to Hong Kong profits tax on profits sourced in Hong Kong. Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2 million of profits of a qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. Innovent HK did not have tax assessable profit subject to Hong Kong profits tax for both years.

Fortvita Biologics (Singapore) PTE. LTD. ("**Innovent SG**") is subject to Singapore corporate income tax on its chargeable income accrued in or derived from Singapore. Under the partial tax exemption regime in Singapore, the first Singapore Dollar ("**SGD**") 10,000 is exempt at 0%, and the next SGD200,000 is taxed at the prevailing corporate tax rate of 17%. For the years under review, Innovent SG did not have any chargeable income subject to Singapore corporate income tax.

Under the United States ("**US**") Tax Cuts and Jobs Act, the US corporate income tax rate has charged at flat rate of 21%.

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company's PRC subsidiaries is 25%.

Innovent Suzhou has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau (the "**STB**") of Jiangsu Province and relevant authorities on 12 December 2025, and has been registered with the local tax authorities for enjoying the reduced 15% Enterprise Income Tax rate (the "**EIT rate**") for a term of three years from 2025 to 2027.

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules has become effective in Hongkong, Singapore, Ireland and the United Kingdom in which certain subsidiaries are incorporated. For the year ended 31 December 2025, tax implication of the Group's annual profits, after taking into account certain adjustments in the Pillar Two Rules, is immaterial. Therefore, no top-up tax has been accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net globe income for the year.

The Group has applied the temporary mandatory exception from recognizing and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

12. INCOME TAX EXPENSE (Continued)

The tax charge for the reporting period can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit (loss) before tax	**838,924**	(78,621)
Tax charge at the PRC EIT rate of 25%	**209,731**	(19,655)
Tax effect of expenses not deductible for tax purpose	**463,419**	510,080
Tax effect of income not taxable for tax purpose	**(40,194)**	(147,610)
Effect of research and development expenses that are additionally deducted (note)	**(438,081)**	(410,334)
Tax effect of tax losses not recognised	**328,686**	166,684
Tax effect of deductible temporary differences not recognised	**183,557**	557,855
Utilisation of deductible temporary differences previously not recognised	**(113,545)**	(21,225)
Utilisation of tax losses previously not recognised	**(573,327)**	(635,175)
Withholding tax on license fee income	**4,276**	15,390
Under provision in prior years	**837**	–
Tax charge for the year	**25,359**	16,010

Note: Pursuant to Caishui [2023] circular No. 7, Innovent Suzhou and 蘇州信達生物科技有限公司 Innovent Biologics Technology (Suzhou) Co., Ltd.* ("**Innovent Technology**") and 信達細胞製藥(蘇州)有限公司 Innovent Cells Pharmaceuticals (Suzhou) Co., Ltd. * enjoy super deduction of 200% (2024: 200%) on qualified research and development expenditures for the year ended 31 December 2025.

* English name for identification only

As at 31 December 2025, the Group has unused tax losses of RMB5,758 million (2024: RMB7,118 million) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

12. INCOME TAX EXPENSE (Continued)

The unrecognised tax losses will be carried forward and expire in years as follows:

	2025 RMB'000	2024 RMB'000
2025	–	47,825
2026	95,339	95,339
2027	378,598	387,807
2028	401,347	416,675
2029 onward	2,811,002	4,605,260
Indefinite	2,072,164	1,564,726
	5,758,450	7,117,632

As at 31 December 2025, the Group has deductible temporary differences of RMB4,437 million (2024: RMB4,365 million). No deferred tax asset has been recognised 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 utilised.

13. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

	Year ended 31 December	
	2025	2024
Earnings (loss) (RMB'000)		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share	**813,565**	(94,631)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**1,677,499,694**	1,627,460,846
Effect of dilutive potential ordinary shares: Share options and restricted shares	**63,627,458**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**1,741,127,152**	1,627,460,846

The computation of basic earnings (loss) per share included the vested but unissued restricted shares, but excluded any treasury shares and shares held for share award schemes of the Company.

The computation of diluted earnings per share for the year ended 31 December, 2025 is based on weighted average number of shares assumed to be in issue after taking into account the effect of share options and restricted shares issued by the Company.

As the Group incurred losses for the the year ended 31 December, 2024, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the year ended 31 December, 2025 is the same as basic loss per share.

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvement RMB'000	Plant and machinery RMB'000	Furniture, fixtures and equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2024	402,670	121,823	2,536,895	115,302	6,182	2,142,489	5,325,361
Additions	–	63,194	13,512	15,389	644	1,210,199	1,302,938
Transfer	1,299,278	244,758	419,861	33,086	–	(1,996,983)	–
Disposal	–	(3,155)	(4,668)	(3,630)	–	(16,503)	(27,956)
Exchange adjustments	–	12	438	29	–	101	580
At 31 December 2024	**1,701,948**	**426,632**	**2,966,038**	**160,176**	**6,826**	**1,339,303**	**6,600,923**
Additions	**–**	**–**	**2,363**	**4,566**	**3,590**	**250,928**	**261,447**
Transfer	**111,128**	**150,456**	**846,966**	**46,193**	**–**	**(1,154,743)**	**–**
Transfer to investment properties	**(29,769)**	**–**	**–**	**–**	**–**	**–**	**(29,769)**
Disposal	**(89)**	**(5,841)**	**(2,611)**	**(3,116)**	**(2,091)**	**–**	**(13,748)**
Exchange adjustments	**–**	**(3)**	**(237)**	**(8)**	**–**	**(154)**	**(402)**
At 31 December 2025	**1,783,218**	**571,244**	**3,812,519**	**207,811**	**8,325**	**435,334**	**6,818,451**
DEPRECIATION							
At 1 January 2024	70,736	92,065	779,113	88,606	5,107	–	1,035,627
Provided for the year	16,835	15,228	248,326	12,741	204	–	293,334
Disposal	–	(2,308)	(3,421)	(2,085)	–	–	(7,814)
Exchange adjustments	–	3	146	16	–	–	165
At 31 December 2024	**87,571**	**104,988**	**1,024,164**	**99,278**	**5,311**	**–**	**1,321,312**
Provided for the year	**39,059**	**55,419**	**323,710**	**32,254**	**334**	**–**	**450,776**
Transfer to investment properties	**(1,970)**	**–**	**–**	**–**	**–**	**–**	**(1,970)**
Disposal	**(1)**	**(5,805)**	**(2,206)**	**(2,781)**	**(2,091)**	**–**	**(12,884)**
Exchange adjustments	**–**	**–**	**(15)**	**(5)**	**–**	**–**	**(20)**
At 31 December 2025	**124,659**	**154,602**	**1,345,653**	**128,746**	**3,554**	**–**	**1,757,214**
CARRYING VALUE							
At 31 December 2025	**1,658,559**	**416,642**	**2,466,866**	**79,065**	**4,771**	**435,334**	**5,061,237**
At 31 December 2024	1,614,377	321,644	1,941,874	60,898	1,515	1,339,303	5,279,611

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment except for construction in progress, after taking into account of the residual value, are depreciated on a straight-line basis at the following rate per annum:

Buildings	2%
Leasehold improvement	Over the shorter of the term of the lease, or 5%
Plant and machinery	7% – 20%
Furniture, fixtures and equipment	20 – 80%
Motor vehicles	25%

As at 31 December 2025, the Group has pledged property, plant and equipment with a net book value of RMB1,624 million (2024: RMB1,755 million), to secure borrowings as disclosed in the note 28.

15. RIGHT-OF-USE ASSETS

	Land use right RMB'000	Leasehold buildings RMB'000	Total RMB'000
As at 31 December 2025			
Carrying amount	**343,967**	**36,295**	**380,262**
As at 31 December 2024			
Carrying amount	354,479	13,152	367,631
For the year ended 31 December 2025			
Additions	**–**	**34,748**	**34,748**
Depreciation charge	**(8,907)**	**(11,401)**	**(20,308)**
Exchange adjustments	**(1,605)**	**(204)**	**(1,809)**
	(10,512)	23,143	12,631
For the year ended 31 December 2024			
Additions	86,186	–	86,186
Termination	–	(54,445)	(54,445)
Depreciation charge	(7,289)	(24,308)	(31,597)
Exchange adjustments	–	837	837
	78,897	(77,916)	981

15. RIGHT-OF-USE ASSETS (Continued)

	2025 RMB'000	2024 RMB'000
Expense relating to short-term leases	**33**	31
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	**1,938**	1,414
Total cash outflow for leases	**17,237**	90,738

For the years ended 31 December 2025 and 2024, the Group leases lands and various offices for its operations. Lease contracts are entered into for fixed term of 1 year to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group has obtained the land use right certificates for all leasehold lands in PRC.

The Group regularly entered into short-term leases for offices. As at 31 December 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses disclosed in this note.

In addition, lease liabilities of RMB37,004,000 are recognised with related right-of-use assets of RMB116,863,000 as at 31 December 2025 (2024: lease liabilities of RMB13,589,000 are recognised with related right-of-use assets of RMB98,140,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Such leased assets may not be used as security for borrowing purposes.

As at 31 December 2025, the Group has pledged right-of-use assets with a net book value of RMB218 million (2024: RMB269 million) to secure borrowings as disclosed in the note 28.

16. INTANGIBLE ASSETS

	License rights and capitalised development cost RMB'000	Intellectual property RMB'000	Software RMB'000	Total RMB'000
COST				
At 1 January 2024	1,465,317	–	40,408	1,505,725
Addition	450,516	287,536	1,731	739,783
Disposals	–	–	(256)	(256)
At 31 December 2024	1,915,833	287,536	41,883	2,245,252
Addition	353,808	–	59,586	413,394
At 31 December 2025	**2,269,641**	**287,536**	**101,469**	**2,658,646**
AMORTISATION				
At 1 January 2024	222,838	–	12,620	235,458
Charge for the year	85,300	7,225	2,312	94,837
Impairment loss	632,574	–	–	632,574
Eliminated on disposal	–	–	(220)	(220)
At 31 December 2024	940,712	7,225	14,712	962,649
Charge for the year	108,415	17,339	4,479	130,233
Impairment loss	31,517	–	–	31,517
At 31 December 2025	**1,080,644**	**24,564**	**19,191**	**1,124,399**
CARRYING VALUES				
At 31 December 2024	975,121	280,311	27,171	1,282,603
At 31 December 2025	**1,188,997**	**262,972**	**82,278**	**1,534,247**

Except for certain license rights and capitalised development cost not yet available for use, intangible assets are amortised on a straight-line basis over the following periods:

License rights and capitalised development cost	10 years
Software	3-10 years
Intellectual property	16.5 years

16. INTANGIBLE ASSETS (Continued)

During the year ended 31 December 2025, the Group capitalised expense amounted to RMB353,808,000 (2024: RMB450,516,000), in respect of the licenses for a few particular molecules with the goal of developing and commercialising them as pharmaceutical products. Such intangible assets have finite useful lives and will start to amortise after available for use.

(a) Capitalised development cost not yet available for use

Capitalised development cost not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

As at 31 December 2025, capitalised development costs with carrying amount RMB193,352,000 (2024: RMB398,413,000) is not yet available for use. During the year ended 31 December 2025, the directors of the Company performed impairment assessment of all capitalised development cost not yet available for use and no further impairment loss was recognised (2024: RMB479,303,000). The impairment loss has been included in profit or loss in the research and development expenses line item.

The cash flow projections of the value-in use calculation is based on financial budgets approved by management of the Group. The management considers the length of the forecast period for the cash generating unit longer than five years is appropriate, because it generally takes longer for a biopharma company to generate positive cash flows, compared to companies in other industries, especially when the products related to capitalized development costs are under clinical trial. Based on the progress of clinical development and regulatory approval, commercial ramp up to reach expected peak revenue potential, and up to the end of the exclusivity for the product. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Management believes that any reasonably possible change in any of the key assumptions would not cause the recoverable amounts to be lower than their carrying amounts.

16. INTANGIBLE ASSETS (Continued)

(b) Capitalised development cost available for use

As at 31 December 2025, capitalised development cost with carrying amount RMB995,645,000 (2024: RMB576,708,000) is available for use.

In view of fiercer market competition and expected decline in sale volume in one product, the directors of the Company consider there exists impairment indicator.

During the year ended 31 December 2025, the directors of the Company have performed impairment assessment of the product and consequently determined an impairment loss of RMB31,517,000 (2024: RMB153,271,000) based on value in use. The impairment loss has been included in profit or loss in the cost of sales line item.

This calculation use cash flow projections based on financial budget approved by the management of the Group. In assessing value in use, the estimated future cash flow is discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

The following table sets out the key assumptions for the value in use calculation of the cash-generating unit that has material impairment recognised in current year.

	2025 RMB'000
Pipeline A	
Expected annual revenue growth rates	**– 2% – 146%**
Pre-tax discount rate	**21.3%**
Average percentage of cost and operating expenses	**97.51%**

17. PARTICULARS OF SUBSIDIARIES

Details of the Company's principal operating subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of subsidiaries	Place and date of incorporation/ registration/operations	Issued and paid-up share capital/registered capital 31 December 2025	Issued and paid-up share capital/registered capital 31 December 2024	Shareholding/ equity interests attributable to the Company as at 31 December 2025	Shareholding/ equity interests attributable to the Company as at 31 December 2024	Principal activities
Directly held:						
Innovent Biologics (HK) Limited	Hong Kong 17 May 2011	Issued capital of HK$10,000 and paid-up capital of HK$10,000	Issued capital of HK$10,000 and paid-up capital of HK$1	**100%**	100%	Sales of drugs
Innovent Biopharmaceuticals Inc.	Cayman Islands 24 April 2020	Issued capital of USD50,000 and paid-up capital USD50,000	Issued capital of USD50,000 and paid-up capital USD50,000	**100%**	100%	Intermediate holding company
Fortvita Biologics Inc.	Cayman Islands 4 November 2021	Registered capital of USD50,000 and paid-up capital of nil	Registered capital of USD50,000 and paid-up capital of nil	**100%**	100%	Intermediate holding company
Innovent Cells Inc.	Cayman Islands 30 April 2021	Registered capital of USD50,000 and paid-up capital of nil	Registered capital of USD50,000 and paid-up capital of nil	**100%**	100%	Intermediate holding company
Innovent Biologics Capital, Inc.	Cayman Islands 7 November 2024	Registered capital of USD50,000 and paid-up capital of nil	Registered capital of USD50,000 and paid-up capital of nil	**100%**	100%	Intermediate holding company

17. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiaries	Place and date of incorporation/ registration/operations	Issued and paid-up share capital/registered capital 31 December 2025	31 December 2024	Shareholding/ equity interests attributable to the Company as at 31 December 2025	31 December 2024	Principal activities
Indirectly held:						
信達生物製藥(蘇州)有限公司 Innovent Biologics (Suzhou) Co., Ltd.*	PRC 24 August 2011	Registered capital of USD152,464,750 and paid-up capital of USD152,464,750	Registered capital of USD152,464,750 and paid-up capital of USD152,464,750	**100%**	100%	Research and development and sales of drugs
蘇州信達生物科技有限公司 Innovent Technology*	PRC 8 July 2013	Registered capital of RMB40,000,000 and paid-up capital of RMB40,000,000	Registered capital of RMB40,000,000 and paid-up capital of RMB40,000,000	**100%**	100%	Research and development and sales of drugs
Oriza Xinda International Limited	Hong Kong 20 March 2018	Issued capital of USD50,000 and paid-up capital of nil	Issued capital of USD50,000 and paid-up capital of nil	**100%**	100%	Intermediate holding company
信達生物科技有限公司 Innovent Biotechnology Co., Ltd.	PRC 20 September 2019	Registered capital of USD100,000,000 and paid-up capital of USD85,000,000	Registered capital of USD100,000,000 and paid-up capital of USD85,000,000	**100%**	100%	Research and development
信達生物製藥(杭州)有限公司 Innovent Biologics (Hangzhou) Co., Ltd.*	PRC 29 September 2020	Registered capital of USD120,000,000 and paid-up capital of USD120,000,000	Registered capital of USD120,000,000 and paid-up capital of USD120,000,000	**100%**	100%	Manufacturing
江蘇眾煦醫藥有限公司 Jiangsu Zhongxu Biopharmaceuticals Co., Ltd.*	PRC 16 November 2020	Registered capital of RMB20,000,000 and paid-up capital of RMB20,000,000	Registered capital of RMB20,000,000 and paid-up capital of RMB20,000,000	**100%**	100%	Sales of drugs

17. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiaries	Place and date of incorporation/ registration/operations	Issued and paid-up share capital/registered capital 31 December 2025	31 December 2024	Shareholding/ equity interests attributable to the Company as at 31 December 2025	31 December 2024	Principal activities
Indirectly held:						
蘇州信成私募基金管理有限公司 Suzhou Xincheng Private Equity Fund Management Co., Ltd. *	PRC 28 April 2021	Registered capital of RMB10,000,000 and paid-up capital of RMB5,000,000	Registered capital of RMB10,000,000 and paid-up capital of RMB5,000,000	**100%**	100%	Business service
蘇州信禾國清創業投資合夥企業(有限合夥) Suzhou Xinhe Guoqing venture capital partnership (limited partnership) ("**Xinhe**") *	PRC 6 August 2021	Registered capital of of RMB500,000,000 Paid-up capital of of RMB500,000,000	Registered capital of of RMB500,000,000 Paid-up capital of of RMB340,200,000	**13% (note)**	13% (note)	Capital service
蘇州信惠博安企業管理有限公司 Suzhou Xinhui Boan Enterprise Management Co., Ltd. *	PRC 14 April 2021	Registered capital of RMB10,000,000 and paid-up capital of RMB10,000,000	Registered capital of RMB10,000,000 and paid-up capital of RMB10,000,000	**100%**	100%	Business service
Fortvita Biologics (USA), Inc.	USA 8 June 2018	Issued capital of nil and paid-up capital of nil	Issued capital of nil and paid-up capital of nil	**100%**	100%	Research and development
Fortvita Biologics (Europe) Limited	England and Wales 27 July 2020	Issued capital of GBP1 and paid-up capital of GBP1	Issued capital of GBP1 and paid-up capital of GBP1	**100%**	100%	Research and development
Innovent Biopharmaceuticals (HK) Limited	Hong Kong 27 March 2020	Issued capital of HK$10,000 and paid-up capital HK$10,000	Issued capital of HK$10,000 and paid-up capital HK$10,000	**100%**	100%	Intermediate holding company
Innovent Cells (HK) Limited	Hong Kong 17 June 2021	Registered capital of HK$10,000 and paid-up capital of HK$10,000	Registered capital of HK$10,000 and paid-up capital of HK$10,000	**100%**	100%	Intermediate holding company

17. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiaries	Place and date of incorporation/ registration/operations	Issued and paid-up share capital/registered capital 31 December 2025	31 December 2024	Shareholding/ equity interests attributable to the Company as at 31 December 2025	31 December 2024	Principal activities
Indirectly held:						
信達細胞製藥(蘇州)有限公司 Innovent Cells Pharmaceuticals (Suzhou) Co., Ltd. *	PRC 16 November 2021	Registered capital of USD50,000,000 and paid-up capital of nil	Registered capital of USD50,000,000 and paid-up capital of nil	**100%**	100%	Research and development
Fortvita Biologics (Ireland) Limited	Ireland 1 June 2022	Registered capital of EUR 1 and paid-up capital of EUR1	Registered capital of EUR 1 and paid-up capital of EUR1	**100%**	100%	Business service
夏爾巴生物技術(杭州)有限公司 Altruist Biotechnology (Hangzhou) Limited *	PRC 24 May 2022	Registered capital of RMB5,000,000 and paid-up capital of nil	Registered capital of RMB5,000,000 and paid-up capital of nil	**100%**	100%	Research and development
夏爾巴生物技術(蘇州)有限公司 Altruist Biotechnology (Suzhou) Limited *	PRC 29 June 2022	Registered capital of RMB5,000,000 and paid-up capital of nil	Registered capital of RMB5,000,000 and paid-up capital of nil	**100%**	100%	Research and development
蘇州信成博康壹號創業投資合夥企業(有限合夥) Suzhou Xin Cheng Bo Kang Yi Hao Venture Capital Partnership (Limited Partnership) *	PRC 24 February 2022	Registered capital of RMB 50,000,000 and paid-up capital of RMB46,520,298	Registered capital of RMB 50,000,000 and paid-up capital of RMB36,063,478	**100%**	100%	Capital service
蘇州信成博康壹號企業管理合夥企業(有限合夥)	PRC 7 June 2022	Registered capital of RMB51,000,000 and paid-up capital of RMB51,000,000	Registered capital of RMB51,000,000 and paid-up capital of RMB40,800,000	**100%**	100%	Capital service

17. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiaries	Place and date of incorporation/ registration/operations	Issued and paid-up share capital/registered capital 31 December 2025	31 December 2024	Shareholding/ equity interests attributable to the Company as at 31 December 2025	31 December 2024	Principal activities
Indirectly held:						
InnoPinnacle International I Inc	Cayman Islands 11 January 2021	Registered capital of USD50,000 and paid-up capital of nil	Registered capital of USD50,000 and paid-up capital of nil	**100%**	100%	Business service
InnoPinnacle Fund I L.P. ("**Inno Fund**")	Cayman Islands 17 March 2022	Registered capital of USD70,000,000 and paid-up capital of USD39,597,996	Registered capital of USD70,000,000 and paid-up capital of USD38,337,995	**49% (note)**	49% (note)	Capital service
上海信恒盈峰企業管理有限公司 Shanghai Xin Heng Ying Feng Enterprise Management Co., Ltd *	PRC 25 November 2022	Registered capital of RMB2,000,000 and paid-up capital of RMB179,495	Registered capital of RMB2,000,000 and paid-up capital of RMB179,495	**100%**	100%	Business service
InnoPinnacle Fund Management Pte Ltd	Singapore 25 February 2022	Registered capital of SGD1 and paid-up capital of SGD1	Registered capital of SGD1 and paid-up capital of SGD1	**100%**	100%	Business service
Fortvita Biologics (Singapore) PTE.LTD.	Singapore 28 February 2023	Registered capital of SGD1 and paid-up capital of SGD1	Registered capital of SGD1 and paid-up capital of SGD1	**100%**	100%	Research and development
Fortvita Biologics International, Inc.	Cayman Islands 7 July 2021	Registered capital of USD 50,000 and paid-up capital of nil	Registered capital of USD 50,000 and paid-up capital of nil	**100%**	100%	Investment holding

17. PARTICULARS OF SUBSIDIARIES (Continued)

Name of subsidiaries	Place and date of incorporation/ registration/operations	Issued and paid-up share capital/registered capital 31 December 2025	31 December 2024	Shareholding/ equity interests attributable to the Company as at 31 December 2025	31 December 2024	Principal activities
Indirectly held:						
Fortvita Biologics Limited	Hong Kong 11 October 2021	Registered capital of USD 100 and paid-up capital of USD100	Registered capital of USD 100 and paid-up capital of USD100	**100%**	100%	Research and development
杭州愛澤醫藥有限公司 Hangzhou Aize Pharmaceutical Co., Ltd.*	PRC 3 April 2024	Registered capital of RMB 100,000 and paid-up capital of nil	Registered capital of RMB 100,000 and paid-up capital of nil	**100%**	100%	Sales of drugs
信達生物醫藥科技(杭州)有限公司 Innovent Biopharmaceutical Technology (Hangzhou) Co., Ltd.*	PRC 8 April 2024	Registered capital of RMB 100,000 and paid-up capital of nil	Registered capital of USD 700,000 and paid-up capital of nil	**100%**	100%	Sales of drugs
信達融創(蘇州)投資有限公司 Xinda Rongchuang (Suzhou) Investment Co., Ltd. *	PRC 13 May 2025	Registered capital of RMB 10,000,000 and paid-up capital of RMB10,000,000	N/A	**100%**	N/A	Capital service
眾煦醫藥科技(蘇州)有限公司 Zhongxu (Suzhou) Pharmaceutical Co., Ltd.*	PRC 4 July 2025	Registered capital of RMB 100,000 and paid-up capital of nil	N/A	**100%**	N/A	Research and development

None of the subsidiaries had issued any debt securities at the end of both years.

* English name for identification only

Note:

The Group is able to control Xinhe and Inno Fund because the Group undertake and have exclusive responsibility and full control for the conduct, management, operation and administration of the business.

18. INVESTMENT IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
Investment in an associate under equity method	**762,203**	858,991

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	Country of incorporation	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			31 December 2025	31 December 2024	31 December 2025	31 December 2024	
IASO Biotherapeutics ("**Company B**") (note)	The PRC	The PRC	**17.26%**	18%	**17.26%**	18%	Research development of drugs

Note: On July 2024, Innovent Suzhou made a capital injection into Company B at RMB900 million. After the capital injection, the Group obtained 18% equity interests in Company B. On October 17, 2025, Company B completed a new round of equity financing. The Group's ownership interest in Company B was diluted from 18% to 17.26%. The Group is able to exercise significant influence over Company B as the Group has the right to appoint one out of the nine directors. As a result, Company B was accounted for as an associate using equity method by the Group.

In addition to the above associate in which the Group has applied equity method, the Group is able to exercise significant influence over certain investees because it has the power to appoint one director of these investees under the terms of relative investment agreements. As disclosed in note 37(c), the Group's investment in such redeemable convertible preference shares are accounted for under IFRS 9.

19. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**597,431**	404,856
Work in progress	**327,290**	192,143
Finished goods	**377,024**	225,168
	1,301,745	822,167

20. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables from contracts with customers	**1,713,832**	1,184,407

As at 1 January 2024, trade receivables from contracts with customers amounting to RMB1,005,891,000.

The Group allows an average credit period of 45 to 60 days to its trade customers. The following is an aging analysis of trade receivables, presented based on the invoice date.

	2025 RMB'000	2024 RMB'000
0 – 60 days	**1,709,241**	1,184,407
61 – 180 days	**562**	–
181 – 365 days	**4,029**	–
	1,713,832	1,184,407

As at 31 December 2025 and 2024, RMB4,591,000 (2024: Nil) of the Group's trade receivables are past due as at reporting date. Details of impairment assessment of trade receivables are set out in note 37.

21. PREPAYMENTS AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Prepayments	**114,499**	82,790
Other receivables	**527,286**	263,094
Prepaid bonus (note)	**59,137**	95,789
Other tax recoverables	**368,803**	288,540
Rental deposits	**7,880**	4,673
	1,077,605	734,886
Analysed as:		
Non-current	**348,533**	352,363
Current	**729,072**	382,523
	1,077,605	734,886

Note:

In consideration of future performance of their duties as directors of the Company (including Dr. Yu), the Company granted bonuses to them, which comprises subscription receivables for restricted shares, subscription receivables for share options, amount due in respect of the withholding tax resulting from the restricted shares and share options subscriptions; and amount due in respect of the withholding tax resulting from the grant of the prepaid bonuses.

Based on the relevant terms of the directors' respective service agreements (which reflected the relevant contractual terms of these directors' bonus plan), the outstanding subscription receivables and the amount paid or payable for these directors of the Company in respect of the withholding tax resulting from the share subscriptions and the grant of these bonuses were converted to bonuses paid in advance to directors of the Company. These directors of the Company shall be liable to return the whole or part of the bonuses and the relevant tax paid for them if certain service and/or performance conditions are not satisfied in accordance with the relevant terms of the respective directors' service agreements.

During the year ended 31 December 2025, RMB36.6 million (2024: RMB34.5 million) was recognised as bonus expense based on the underlying terms of bonus plan and recorded under administrative expenses in accordance with the relevant terms of services agreements and RMB36.6 million (2024: RMB36.6 million) is expected to be recognised in the next twelve months and therefore, it is classified as current assets.

22. CONTRACT COST

	2025 RMB'000	2024 RMB'000
Incremental costs to obtain contracts	**137,062**	–
Analysed as:		
Current	**37,240**	–
Non-current	**99,822**	–
	137,062	–

Note:

Contract costs capitalised relate to the incremental sales commissions paid to agent whose selling activities resulted in customers entering into sale agreement. Contract costs are recognised as part of an expense in the consolidated statement of profit or loss and other comprehensive income in the period in which revenue from the related licence fee income is recognised. There was no impairment in relation to the costs capitalised during the year.

The Group applies the practical expedient and recognises the incremental costs of obtaining contracts relating to the recognizition of licence fee income as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

23. OTHER FINANCIAL ASSETS

	Current		Non-current	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
Investment notes (note a)	**886,741**	375,555	**3,298,211**	511,356
Other investments at FVTPL				
– Unlisted equity investments and preference shares (note b)	**–**	–	**982,970**	704,526
– Structured deposits (note c)	**–**	–	**2,010,186**	1,551,023
	886,741	375,555	**6,291,367**	2,766,905

Notes:

(a) The Group invested in notes issued by financial institutions with an interest rate as stated in the contract ranging from 2.84% to 5.15% during the year ended 31 December 2025 (2024: 4.08% to 5.15%). These notes are classified as financial assets measured at amortised cost according to contract terms. Details of impairment assessment of investment notes are set out in note 37.

(b) The amounts represent investments in unlisted equity interest and preference shares mainly in the PRC, the USA, the Indonesia and the Cayman Islands. Loss from changes in fair value amounting to RMB20,334,000 is recognised during the year ended 31 December 2025 (2024: gain from changes in fair value amounting to RMB99,258,000). Details of fair value measurements are set out in note 37c.

(c) The Group invested in structured products issued by financial institutions with an expected rate of return as stated in the contract ranging from 0.79% to 5.51% during the year ended 31 December 2025 (2024: 1.05% to 5.59%). These investments are classified as financial assets at FVTPL.

24. BANK BALANCES AND CASH/TERM DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash at bank	**9,602,604**	2,223,207
Cash on hand	**8**	8
Term deposits with maturity date less than three months	**773,100**	50,141
Cash and cash equivalents	**10,375,712**	2,273,356
Term deposits with maturity date over three months	**7,727,949**	5,376,391
Restricted bank deposits	**47,296**	–
Pledged bank deposits (note 28)	**–**	133,438
	18,150,957	7,783,185
Analysed as:		
Non-current	**806,252**	275,000
Current	**17,344,705**	7,508,185
	18,150,957	7,783,185

Bank balances carry interest at market rates ranging as follows per annum:

	2025	2024
Term deposits	**0.65%-6.05%**	1.55%-6.05%
Cash at bank	**0.001%-4.00%**	0.001%-4.49%

The carrying amounts of the Group's term deposits and bank balances and cash denominated in currencies other than functional currencies of the relevant group entities at the end of the reporting period are as follows:

	2025 RMB'000	2024 RMB'000
United States Dollar ("**USD**")	**6,235,920**	5,952,271
HK$	**304,037**	186,385
Great Britain Pound ("**GBP**")	**981**	1,988
SGD	**5,048**	–
Euro ("**EUR**")	**7**	–

25. TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	**494,589**	347,543
Bills payables	**–**	10,134
	494,589	357,677

The average credit period on trade purchases is 0 to 90 days. aging analysis of the Group's trade payables based on the invoice date at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
0 – 30 days	**272,373**	140,871
31 – 60 days	**122,830**	159,874
Over 60 days	**99,386**	46,798
	494,589	347,543

Aging analysis of the Group's bills payables based on the date of issue of bills at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
0 – 90 days	**–**	10,134

26. OTHER PAYABLES AND ACCRUED EXPENSES

	2025 RMB'000	2024 RMB'000
Accrued expenses		
– Research and development expenses	**559,980**	705,934
– Royalties and other related payments	**693,108**	260,390
– Selling and marketing expenses	**1,424,377**	657,883
– Legal and professional fee	**230,856**	83,329
– Employee reimbursement	**166,617**	131,090
– Rebate and compensation	**479,769**	152,878
– Others	**78,452**	67,139
	3,633,159	2,058,643
Interest payables	**2,890**	4,812
Royalties and other related payments	**–**	218,760
Other payables	**147,984**	109,880
Other tax payable	**196,147**	75,843
Payables in respect of acquisition of property, plant and equipment	**268,889**	415,646
Staff payroll payables	**530,484**	457,268
	4,779,553	3,340,852

27. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Amounts received in advance for		
License	**8,448,709**	818,974
Research service	**12,311**	5,217
	8,461,020	824,191
Analysed by		
Current	**2,312,224**	256,411
Non-current	**6,148,796**	567,780
	8,461,020	824,191

As at 1 January 2024, contract liabilities amounted to RMB866,478,000.

Amount received in advance related to license mainly include followings:

a. During the year ended 31 December 2025, the Group received RMB8,439 million for granting commercialisation licences to a customer, as disclosed in the Company's announcement dated 22 October 2025.

b. Licence fee income of RMB244.6 million was recognised during the year ended 31 December 2025 (2024: RMB262.7 million), which was included in the contract liabilities balance at the beginning of the year.

28. BORROWINGS

	2025 RMB'000	2024 RMB'000
At amortised cost	**2,778,771**	2,817,454
Analysed as:		
Secured	**1,793,103**	1,872,976
Unsecured	**985,668**	944,478
	2,778,771	2,817,454
The carrying amounts of the above borrowings are repayable*:		
Within one year	**789,170**	405,100
Within a period of more than one year but not exceeding two years	**521,498**	299,800
Within a period of more than two years but not exceeding five years	**1,468,103**	1,858,700
Within a period of more than five years	**–**	253,854
	2,778,771	2,817,454
Less: Amounts due within one year shown under current liabilities	**(789,170)**	(405,100)
Amounts shown under non-current liabilities	**1,989,601**	2,412,354

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates on the Group's fixed-rate borrowings are as follows:

	2025	2024
Effective interest rate:		
Fixed-rate borrowings	**2.20% – 4.90%**	2.60% – 4.90%
Variable-rate borrowings	**2.26%**	–

28. BORROWINGS (Continued)

The Group pledged the following assets to secure credit facilities granted to the Group:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment (note 14)	**1,624,015**	1,755,344
Right-of-use assets – leasehold land (note 15)	**218,046**	269,490
Pledged bank deposits (note 24)	**–**	133,438
	1,842,061	2,158,272

The Group has complied with the relevant covenants at each test date on or before the end of the reporting period and classified the related bank loans balances as non-current.

29. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	**11,029**	8,829
Within a period of more than one year but not more than two years	**10,337**	4,760
Within a period of more than two years but not more than five years	**15,638**	–
	37,004	13,589
Less: Amount due for settlement with 12 months shown under current liabilities	**(11,029)**	(8,829)
Amount due for settlement after 12 months shown under non-current liabilities	**25,975**	4,760

The weighted average incremental borrowing rates applied to lease liabilities range from 3.50% to 4.75% (2024: from 3.10% to 4.90%).

30. SUBSIDIZED GRANTS

	2025 RMB'000	2024 RMB'000
Subsidies related to property, plant and equipment (note a)	**748,024**	622,247
Other subsidies (note b)	**49,623**	25,045
	797,647	647,292

Notes:

(a) The Group received subsidized grants for capital expenditure incurred for the plant and machineries. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

(b) Other subsidies are generally provided in relation to research and development activities of the Group, which will recognise upon compliance with certain condition.

31. OTHER FINANCIAL LIABILITIES

	2025 RMB'000	2024 RMB'000
The net assets attribute to other partners of investment fund consolidated	**620,662**	460,960

During the year ended 31 December 2025, the Group received the proceeds from other partners of investment fund consolidated amounting to RMB155,696,000 (2024: RMB161,924,000). Other loss derived from operation of funds attribute to other partners is RMB4,006,000 (2024: RMB36,323,000).

32. SHARE CAPITAL

	Number of ordinary shares	Amount USD'000
Ordinary shares		
Ordinary shares of US$0.00001 each		
Authorised		
At 1 January 2024, 31 December 2024 and 2025	**5,000,000,000**	**50**

	Number of shares	Amount USD'000	Equivalent amount of ordinary shares RMB'000
Issues and fully paid			
At 1 January 2024	1,621,830,905	16	112
Exercise of share options (note a)	10,813,358	–	1
Issuance of restricted shares (note b)	5,502,741	–	- *
At 31 December 2024	**1,638,147,004**	**16**	**113**
Placing of ordinary shares (note c)	**55,000,000**	**1**	**4**
Issuance of ordinary shares (note d)	**6,913,834**	**–**	**- ***
Exercise of share options (note e)	**10,755,719**	**–**	**1**
Issuance of restricted shares (note f)	**23,806,908**	**–**	**1**
At 31 December 2025	**1,734,623,465**	**17**	**119**

*: Amount is less than RMB1,000.

Notes:

(a) During the year ended 31 December 2024, a total of 8,327,167 and 2,486,191 ordinary shares were issued to the employees in connection with the exercise of share options under the Pre-IPO plan and Post-IPO plan at an aggregate exercise price of US$1,855,000 (equivalent to RMB13,136,000) and US$10,067,000 (equivalent to RMB71,176,000) respectively.

(b) During the year ended 31 December 2024, a total of 5,502,741 restricted shares were issued to Dr. Yu, independent non-executive directors, other employees and trust plan of the Group.

(c) On 26 June 2025, the Group issued 55,000,000 new ordinary shares at HK$78.36 per share for net proceeds of HK$4,265.4 million (equivalent to RMB3,889.8 million) (after deducting all applicable costs and expenses, including commission and levies) from placing of new ordinary shares.

32. SHARE CAPITAL (Continued)

(d) On 22 October 2025, the Group has established a strategic global collaboration (the "**License, Option and Collaboration Agreement**") with Takeda Pharmaceuticals International AG. Details of the terms of the License, Option and Collaboration Agreement was disclosed in the Company's announcement dated 22 October 2025.

Further on 22 October 2025, the Company, as issuer, and Takeda Pharmaceuticals International AG, as subscriber, entered into a share issuance agreement, pursuant to which an aggregate of 6,913,834 shares was issued at HK$112.56 per share. The net proceeds of this issuance was HK$775.4 million (equivalent to RMB704.7 million) (after deducting commission of HK$1.2 million and transaction cost of HK$1.6 million (equivalent to RMB1.2 million and RMB1.5 million)). The difference between the net proceeds of RMB704.7 million and the fair value of the Company's shares of RMB586.9 million was considered as part of the consideration for the License, Option and Collaboration Agreement and recognised as contract liabilities.

(e) During the year ended 31 December 2025, a total of 4,019,750 and 6,735,969 ordinary shares were issued to the employees in connection with the exercise of share options under the Pre-IPO plan and Post-IPO plan at an aggregate exercise price of US$856,000 (equivalent to RMB6,124,000) and US$32,933,000 (equivalent to RMB235,925,000) respectively.

(f) During the year ended 31 December 2025, a total of 23,806,908 restricted shares were issued to Dr. Yu, independent non-executive directors, other employees and trust plan of the Group.

33. SHARE-BASED PAYMENT TRANSACTIONS

(i) Pre-IPO Plan

On 10 May 2012, the shareholders of the Company approved the adoption of the Pre-IPO Plan for the purpose of incentivising, retaining and rewarding certain employees, board members and individual consultant or adviser who renders bona fide services to the Company or its subsidiaries ("**Eligible Person**") for their contributions the Group's business, and to align their interests with those of the Group.

The following table discloses movements of the Company's share options held by grantees during the years:

	Number of share options			
	Directors of the Company		Employees	
	2025	2024	**2025**	2024
As at 1 January	**775,000**	–	**11,976,844**	21,079,011
Transfer (Note)	**–**	1,375,000	**–**	(1,375,000)
Exercised	**–**	(600,000)	**(4,019,750)**	(7,727,167)
As at 31 December	**775,000**	775,000	**7,957,094**	11,976,844

Note: Ms. Zhang, Qian was appointed as an executive director on 3 May 2024. Her outstanding share options were reclassed from employees to directors of the Company.

As at 31 December 2025, 8,732,094 (2024: 12,751,844) outstanding options under the Pre-IPO Plan were fully vested and exercisable.

For the outstanding options, vesting period ranges from 31 October 2017 to 8 October 2024, weighted average remaining contractual life being 2.40 years (2024: 3.37 years) and exercise price ranges from US$0.04 to US$0.30 (2024: US$0.04 to US$0.30). Weighted average exercise price of outstanding options is US$0.23, US$0.23 and US$0.23 as at 1 January 2024, 31 December 2024 and 31 December 2025, respectively.

The following table discloses the weighted average exercise price of the Company's share options held by grantees during the years:

	2025	2024
Exercised	**US$0.21**	US$0.22

No share appreciation right was outstanding nor issued during any of the reporting period.

The total expenses recognised in the consolidated statement of profit or loss and other comprehensive income for share options granted to directors of the Company and employees are nil for the year ended 31 December 2025 (2024: RMB1,410,000).

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) Post-IPO ESOP

On 13 October 2018, shareholders resolution was passed to adopt the Post-IPO ESOP. The purpose of the Post-IPO ESOP is to encourage participants to work towards enhancing the value of the Company. The total number of shares which may be issued upon exercise of all options to be granted under the Post-IPO ESOP is 111,815,071, being no more than 10% of the shares in issue on the date the shares commence trading on The Stock Exchange of Hong Kong Limited.

The following table discloses movements of the Company's share options held by grantees under post-IPO ESOP during the year:

	Number of share options			
	Directors of the Company		Employees	
	2025	2024	**2025**	2024
At the beginning of the period	**17,333,371**	13,421,528	**35,914,237**	40,693,747
Transfer (Note)	**–**	2,652,191	**–**	(2,652,191)
Granted	**–**	1,276,415	**–**	3,528,984
Forfeited	**–**	(16,763)	**(1,389,669)**	(3,170,112)
Exercised	**–**	–	**(6,735,969)**	(2,486,191)
At the end of the period	**17,333,371**	17,333,371	**27,788,599**	35,914,237

Note: Ms. Zhang, Qian was appointed as an executive director on 3 May 2024. Her outstanding share options were reclassed from employees to directors of the Company.

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(ii) Post-IPO ESOP (Continued)

For the granted options to directors and employees, 75% of the granted options shall vest on the third anniversary of the vesting commencement date while another 25% shall vest on the fourth anniversary of the vesting commencement date, subject to the performance condition to be fulfilled. For the granted options to non-executive directors, the grant options will be vested on a straight-line basis over three years after the vesting commencement date. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options may not be exercised until they vest. Once vested, the vested portion of the options may be exercised in whole or in part, at any time before the share options expired, i.e. ten years after the date of vesting commencement.

For the outstanding options, vesting period ranges from 14 March 2022 to 21 December 2028 (2024: 14 March 2022 to 21 December 2028), weighted average remaining contractual life being 5.87 years (2024: 6.62 years and exercise price ranges from HK$24.30 to HK$90.05 (2024: HK$24.30 to HK$90.05). Weighted average exercise price of outstanding options is HK$41.71, HK$40.81 and HK$42.57 as at 1 January 2024, 31 December 2024 and 31 December 2025, respectively.

As at 31 December 2025, a total of 28,044,245 (2024: 25,981,672) outstanding options under the Post-IPO ESOP were exercisable.

The following table discloses the weighted average exercise price of the Company's share options held by grantees during the periods:

	Directors of the Company		Employees	
	2025	2024	**2025**	2024
Granted	**–**	HK$40.24	**–**	HK$33.62
Forfeited	**–**	–	**HK$38.33**	HK$44.18
Exercised	**–**	–	**HK$38.25**	HK$31.50

The total expense recognised in the consolidated statement of profit or loss and other comprehensive income for share options granted to directors of the Company and employees are RMB94,253,000 for the year ended 31 December 2025 (2024: RMB147,820,000).

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(iii) 2024 Share scheme – ESOP

On 21 June 2024, shareholders resolution was approved to implement the 2024 Share scheme. The aim of the 2024 Share scheme is to motivate participants to contributes to increasing the Company's value. The total maximum number of ESOP and RS under 2024 Share scheme is 162,838,357 Shares.

The following table discloses movements of the Company's share options held by grantees during the periods:

	Number of share options			
	Directors of the Company		Employees	
	2025	2024	**2025**	2024
At the beginning of the period	**–**	–	**226,500**	–
Granted	**1,544,349**	–	**2,550,148**	226,500
Forfeited	**–**	–	**(359,862)**	–
At the end of the period	**1,544,349**	–	**2,416,786**	226,500

On 28 March 2025, 30 June 2025, 29 August 2025 and 5 December 2025, the Company granted a total of 1,544,349 and 2,550,148 share options at HK$1 consideration to directors and employees of the Group, subject to the accomplishment of certain non-market performance conditions respectively.

For the granted options to directors and employees, 75% of the granted options shall vest on the third anniversary of the vesting commencement date while another 25% shall vest on the fourth anniversary of the vesting commencement date, subject to the performance condition to be fulfilled. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The options may not be exercised until they vest. Once vested, the vested portion of the options may be exercised in whole or in part, at any time before the share options expired, i.e. ten years after the date of vesting commencement.

For the outstanding options, vesting period ranges from 30 August 2027 to 5 December 2029 (2024: 30 August 2027 to 5 December 2028), weighted average remaining contractual life being 9.42 years (2024: 9.73 years), exercise price ranges from HK$38.38 to HK$96.85 (2024: HK$38.38 to HK$43.77) and weighted average exercise price being HK$46.78 (2024: HK$42.44).

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(iii) 2024 Share scheme – ESOP (Continued)

The following table discloses the weighted average exercise price of the Company's share options held by grantees during the period:

	Directors of the Company		Employees	
	2025	2024	**2025**	2024
Granted	**HK$46.26**	–	**HK$47.32**	HK$42.44
Forfeited	**–**	–	**HK$45.57**	–

Fair value of share options granted

Binomial Options Pricing Model was used to determine the fair value of the options granted during the year ended 31 December 2025. Key assumptions, such as expected dividend yield, post-vesting exit rate, expected exercise multiple, risk-free interest rate and expected volatility, are determined by the directors of the Company with best estimate.

The key inputs into the model were as follows:

	2025	2024
Fair value per option on grant date	**HK$30.18 – HK$51.50**	HK$19.22 – HK$20.73
Weighted average share price of the Company on grant date	**HK$54.35 – HK$93.60**	HK$38.10 – HK$46.60
Exercise price	**HK$46.20 – HK$96.85**	HK$38.38 – HK$47.77
Expected volatility	**48.80% – 49.00%**	47.00% – 47.75%
Risk-free interest rate	**3.01% – 3.60%**	2.85% – 3.33%
Expected dividend yield	**0%**	0%
Post-vesting exit rate	**0% – 6.50%**	4.90% – 6.60%
Expected exercise multiple	**2.2 – 2.6**	2.2 – 2.6

The total expense recognised in the consolidated statement of profit or loss and other comprehensive income for share options granted to directors of the Company and employees are RMB22,192,000 for the year ended 31 December 2025 (2024: RMB296,000).

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(iv) 2018 RS Plan

On 15 October 2018, the board of directors approved the RS Plan to issue 55,907,535 restricted shares within two years of the Company's IPO. The purpose of the RS Plan is to enable the directors, officers, and other key contributors and employees of the Group to share the success of the Company and stimulate the efforts of such persons on the Group's behalf.

(a) Directors

The Company granted an aggregate of 6,901,796 restricted shares to Dr. Yu with nil consideration. The restricted shares shall initially be unvested and subject to repurchase by the Company upon the Repurchase Option. The restricted shares shall be vested on a 20% per annum over a 5 years vesting period and released from the Repurchase Option.

The Company granted an aggregate of 1,770,000 restricted shares to two directors with nil consideration subject to the accomplishment of certain non-market performance conditions. The restricted shares shall initially be unvested. 75% of the restricted shares shall vest on the third anniversary of the vesting commencement while another 25% shall vest on the fourth anniversary of the vesting commencement, subject to the performance condition to be fulfilled.

(b) Employees

In 2019, the Company granted a maximum of 9,653,167 restricted shares at nil consideration to employees of the Group, subject to the accomplishment of certain non-market performance conditions respectively. The restricted shares shall initially be unvested. 50% of the restricted shares shall vest on the fifth anniversary of the vesting commencement while another 50% shall vest on the sixth anniversary of the vesting commencement, subject to the performance condition to be fulfilled.

In 2020, the Company granted a maximum of 10,691,647 restricted shares at nil consideration to employees of the Group, subject to the accomplishment of certain non-market performance conditions respectively. The restricted shares shall initially be unvested. 75% of the restricted shares shall vest on the third anniversary of the vesting commencement while another 25% shall vest on the fourth anniversary of the vesting commencement, subject to the performance condition to be fulfilled.

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(iv) 2018 RS Plan (Continued)

The following table summarised the Group's unvested restricted shares movement under 2018 RS Plan.

	2018 RS Plan	
	Number of unvested restricted shares	Weighted average grant date fair value per share HK$
Unvested as at 1 January 2024	2,361,133	45.63
Vested	(2,361,133)	45.63
Unvested as at 31 December 2024	–	–

Both the directors of the Company and eligible employees shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of any unvested shares and the eligible employees shall not transfer any vested shares, or any interest therein until the employees has offered the Company the right to purchase the vested shares at the same price and on the same terms and conditions as those offered to any prospective transferee.

The Group measured the fair value of the unvested restricted shares as of the grant dates and is recognised as compensation expense over the vesting period for each separately vesting portion of the unvested restricted shares. The total expense recognised in the consolidated statement of profit or loss and other comprehensive income for restricted shares granted to employees of the Group and directors of the Company are nil for the year ended 31 December 2025 (2024: RMB7,399,000).

The fair value of the Company's restricted shares was determined using the closing price of each share as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited on the grant date.

The 2018 RS Plan was terminated in its entirety on 12 June 2020, the adoption date of the 2020 RS Plan. Nonetheless, the rights and obligations of the grantees and the Company with respect to the restricted shares that have been granted or earmarked pursuant to the 2018 RS Plan on or before the date of termination as provided (or will be provided) in the relevant award agreements shall survive termination of the 2018 RS Plan and remain in full force and effect except otherwise provided for the relevant award agreements.

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(v) 2020 RS Plan

On 12 June 2020, the board of directors approved the 2020 RS Plan to issue 67,152,410 restricted shares within five years. The purpose of the 2020 RS Plan is to enable the directors, officers, and other key contributors and employees of the Group, in order to assure a closer identification of the interests of such persons with those of the Group and stimulate the efforts of such persons on the Group's behalf.

On 30 March 2022 and 1 June 2022, the Company further granted a total number of 11,587 and 14,631 restricted shares at nil consideration to directors of the Group. The restricted shares shall be vested on a 33.33% per annum over a 3 years vesting period with the first vesting date as March and June 2023, subject to the performance condition to be fulfilled.

For the remaining restricted shares, the restricted shares shall initially be unvested. 75% of the restricted shares shall vest on the third anniversary of the vesting commencement while another 25% shall vest on the anniversary of the vesting commencement, subject to the performance condition to be fulfilled

The following table summarized the Group's unvested restricted shares movement under 2020 RS Plan.

	2020 RS	
	Number of unvested restricted shares	Weighted average grant date fair value per share HK$
Unvested as at 1 January 2024	37,821,161	36.40
Granted	22,812,781	36.07
Vested	(2,890,494)	70.11
Forfeited	(6,667,057)	38.36
Unvested as at 31 December 2024	**51,076,391**	**35.70**
Vested	**(11,080,700)**	**33.39**
Forfeited	**(3,345,414)**	**35.96**
Unvested as at 31 December 2025	**36,650,277**	**36.37**

Both the directors of the Company and eligible employees shall not sell, assign, transfer, pledge, hypothecate or otherwise dispose of any unvested shares and the eligible employees shall not transfer any vested shares, or any interest therein until the employees has offered the Company the right to purchase the vested shares at the same price and on the same terms and conditions as those offered to any prospective transferee.

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(v) 2020 RS Plan (Continued)

The Group measured the fair value of the unvested restricted shares as of the grant dates which is recognized the amount as compensation expense over the vesting period for each separately vesting portion of the unvested restricted shares. The total expense recognised in the consolidated statement of profit or loss and other comprehensive income for restricted shares granted to employees of the Group and directors of the Company are RMB350,348,000 for the year ended 31 December 2025 (2024: RMB397,152,000).

The fair value of the Company's restricted shares was determined using the closing price of each share as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited on the grant date.

(vi) 2024 Share scheme – RS

On 21 June 2024, the shareholder of resolution approved the 2024 share scheme. The total maximum of ESOP and RS is 162,838,357 shares.

On 28 March 2025, 30 June 2025, 29 August 2025 and 5 December 2025, the Company granted a total of 4,375,659 and 19,610,889 restricted shares at nil consideration to directors and employees of the Group, subject to the accomplishment of certain non-market performance conditions respectively. The restricted shares shall initially be unvested. For the granted restricted shares to employees, 75% of the restricted shares shall vest in 2028 while another 25% shall vest in 2029, subject to the performance condition to be fulfilled.

The following table summarized the Group's unvested restricted shares movement under 2024 Share scheme – RS.

	2024 Share Scheme	
	Number of unvested restricted shares	Weighted average grant date fair value per share HK$
Unvested as at 1 January 2024	–	–
Granted	1,171,600	43.06
Forfeited	(24,000)	38.38
Unvested as at 31 December 2024	**1,147,600**	**43.16**
Granted	**23,986,548**	**55.35**
Forfeited	**(4,440,712)**	**54.31**
Unvested as at 31 December 2025	**20,693,436**	**54.90**

33. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(vi) 2024 Share scheme – RS (Continued)

The Group measured the fair value of the unvested restricted shares as of the grant dates which is recognized the amount as compensation expense over the vesting period for each separately vesting portion of the unvested restricted shares. The total expense recognised in the consolidated statement of profit or loss and other comprehensive income for restricted shares granted to employees of the Group and directors of the Company are RMB195,903,000 for the year ended 31 December 2025 (2024: RMB2,444,000).

The fair value of the Company's restricted shares was determined using the closing price of each share as stated in the daily quotation sheet issued by The Stock Exchange of Hong Kong Limited on the grant date.

34. CAPITAL COMMITMENT

	2025 RMB'000	2024 RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements:		
Acquisition of property, plant and equipment	**240,117**	400,919
Acquisition of intangible asset	**10,891**	3,324
	251,008	404,243

35. RETIREMENT BENEFIT PLANS

The PRC

The employees of the Group's subsidiaries in the PRC are members of the state-managed retirement benefit scheme operated by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make specified contributions. The total expense recognised in profit or loss of RMB355,922,000 (2024: RMB290,573,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

The Company does not operate any other defined contribution schemes, and as such, there is no forfeited contributions, nor does the Company employ any actuary for defined benefit plans.

35A. TRANSACTIONS AND BALANCES WITH DR. YU

Historically, the Group used certain domain names which are owned by Dr. Yu for free. On 11 June 2018, the Group and Dr. Yu formalised the arrangement and entered into agreement pursuant to which Dr. Yu agreed to license his rights in the domain names to Innovent Suzhou for use by it and the Group in connection with business and operations on an exclusive and royalty-free basis for a term commencing from the date of the agreement until such times that Dr. Yu ceases to hold shares or ceases to be a director of the Company. Such rights in the domain names are not transferable to any third parties.

35B. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors of the Company and other members of key management was as follows:

	2025 RMB'000	2024 RMB'000
Short-term benefits	**56,830**	50,543
Share-based payment expenses	**189,626**	137,830
	246,456	188,373

The remuneration of key management personnel is determined by the management of the Company having regard to the performance of individuals and market trends.

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 maximising the return to its shareholders and maintaining an adequate capital structure. The Group's overall strategy remain unchanged from prior year.

The capital structure of the Group consists of debts, which includes bank borrowings and lease liabilities disclosed in note 29, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company regularly reviews the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of the capital. The Group will balance its overall capital structure through the new shares issues as well as the issue of new debt and redemption of existing debts.

37. FINANCIAL INSTRUMENTS

37a. Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets		
Amortised cost	**24,584,907**	10,122,270
Measured at FVTPL	**2,993,156**	2,255,549
Financial liabilities		
Amortised cost	**3,693,123**	3,924,229
Measured at FVTPL	**620,662**	460,960

37b. Financial risk management objectives and policies

The Group's financial instruments include term deposits, trade receivables, rental deposits, other receivables, other financial assets, bank balances and cash, trade and bills payables, other payables, borrowings and other financial liabilities. Details of these financial instruments are disclosed in the respective notes.

The risks associated with the Group's financial instruments and the policies on how to mitigate these risks are set out below. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain bank balances and cash, other financial asset, trade and other receivables, term deposits and trade and other payables are denominated in foreign currencies of respective group entities which expose the Group to foreign currency risk. Management monitors foreign exchange exposure and considers hedging significant foreign exchange of the Group exposure.

The carrying amounts of certain significant foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
USD	**12,717,526**	8,754,605	**(29,458)**	(45,235)

37. FINANCIAL INSTRUMENTS (Continued)

37b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase in RMB against the relevant foreign currency. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax loss where RMB strengthens 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the loss. The disclosure below only reflects the impact of USD, as impacts from the remaining relevant foreign currency are insignificant.

	2025 RMB'000	2024 RMB'000
Impact of USD on profit or loss for the year	**592,124**	435,469

The directors of the Company considered the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposure at the end of the reporting period does not reflect the exposure during the reporting period.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (note 29), fixed-rate borrowings (note 28), investment notes (note 23), term deposits and bank balances (note 24) and cash flow interest rate risk in relation to variable rate borrowings (note 28). The Company currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

Sensitivity analysis

Bank balances and term deposits are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances and term deposits is insignificant because the current market interest rates are relatively low and stable.

Other price risk

The Group is exposed to equity price risk through its investments in equity instruments measured at FVTPL. Management of the Group monitors the price risk and will consider hedging the risk exposure should the need arise.

37. FINANCIAL INSTRUMENTS (Continued)

37b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, bank balances, other receivables, investment notes, and rental deposits and term deposits.

In order to minimise credit risk, the Group has tasked its finance team to develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. Management uses publicly available financial information and the Group's own historical repayment records to rate other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – 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	Amount is written off

37. FINANCIAL INSTRUMENTS (Continued)

37b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables arising from contracts with customers

The Group has concentration of credit risk as 29.58% (2024: 55.44%) and 41.53% (2024: 63.98%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group performs impairment assessment under ECL model on trade balances individually or based on collective assessment. Except for debtors with significant balances, which are assessed for impairment individually, the remaining trade receivables collectively assessed based on shared credit risk characteristics by reference to repayment histories for customers.

Trade receivables with significant outstanding balances with aggregate gross carrying amount of RMB1,218,538,000 as at 31 December 2025 (2024: RMB1,032,931,000) are assessed individually. The balances from counterparties which has low risk of default and usually settled within credit period. The exposure to credit risk for the balance is assessed within lifetime ECL (non-credit impaired). The remaining trade receivables with gross carrying amount of RMB495,294,000 as at 31 December 2025 (2024: RMB151,476,000) are grouped based on shared credit risk characteristics by reference to the Group's internal credit ratings because these customers shared same credit risk characters. In the opinion of the directors, the impairment loss for the trade receivables from the customers is insignificant.

Other receivable and rental deposits

For the purpose of impairment assessment for other receivables and rental deposits, the loss allowance is measured at an amount equal to 12m ECL. In determining the ECL for these financial assets, the directors of the Company have taken into account the financial positions of the counterparties in estimating the probability of default of each of the other receivables and other current assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The directors of the Company considered that the 12m ECL allowance is insignificant.

Bank deposits and other financial assets

The credit risk on liquid funds and investment notes of the Group is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

37. FINANCIAL INSTRUMENTS (Continued)

37b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	**2025 Gross carrying amount RMB'000**	2024 Gross carrying amount RMB'000
Financial asset at amortised cost						
Rental deposits	21	N/A	Lower risk (note a)	12m ECL	**7,880**	4,673
Bank balances/ Term deposits	24	A1 – A3	Lower risk	12m ECL	**18,150,949**	7,783,177
Other receivables	21		Lower risk (note a)	12m ECL	**527,286**	263,094
Trade receivables – contracts with customers	20	N/A	Low risk (note c)	Lifetime ECL (collective assessment)	**495,294**	151,476
			N/A (note b)	Lifetime ECL	**1,218,538**	1,032,931
Investment Notes	23	A1 – A3	Low risk	12m ECL	**4,184,952**	886,911
					24,584,899	10,122,262

37. FINANCIAL INSTRUMENTS (Continued)

37b. Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes:

(a) For the purposes of internal credit risk management, the Group uses repayment history or other relevant information to assess whether credit risk has increased significantly. As at 31 December 2025 and 2024, the balances of rental deposits, other receivables are not past due and the credit risk of these balances are considered as low risk.

(b) For trade receivables with significant balances, the amount is individually assessed at lifetime ECL. The default risk of these debtors is low after considering the credit worthiness and past payment history of these debtors and forward-looking information available at the end of the reporting period. As at 31 December 2025 and 2024, expected credit loss is considered as insignificant.

(c) Except for debtors with significant outstanding balances, the Group determines the ECL on the remaining trade receivables by using a collective assessment, grouped by past due status. The following tables provides information about the exposure to credit risk for trade receivables which are assessed based on collective assessment within lifetime ECL (not credit-impaired).

Gross carrying amount

	2025 Trade receivables RMB'000	2024 Trade receivables RMB'000
Current (Low risk)	**495,294**	151,476

Liquidity risk

For management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilisation of borrowings, and renews the borrowings upon expiry based on the actual operation requirement of the Group. The Group relies on bank borrowings as a significant source of liquidity.

As at 31 December 2025, the Group has available unutilised loan facilities of RMB1,962,104,200 (2024: RMB1,061,896,000).

The following table details the Group's remaining contractual maturity for its financial liabilities which has been drawn up based on the undiscounted cash flows based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are variable rate, the undiscounted amount is derived from weighted average interest rate at the end of the reporting period.

37. FINANCIAL INSTRUMENTS (Continued)

37b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

	Weighted average effective interest rate %	Repayable on demand or less than 3 months RMB'000	3 months to 1 year RMB'000	1 - 2 years RMB'000	2 - 5 years RMB'000	Over 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
At 31 December 2025								
Trade and bills payables	-	494,589	-	-	-	-	494,589	494,589
Other payables	-	419,763	-	-	-	-	419,763	419,763
Borrowings – fixed rate	3.19	41,694	826,456	585,884	1,540,665	-	2,994,699	2,778,771
		956,046	826,456	585,884	1,540,665	-	3,909,051	3,693,123
Lease liabilities	3.66	1,612	10,484	11,039	16,209	-	39,344	37,004
At 31 December 2024								
Trade and bills payables	–	336,569	21,108	–	–	–	357,677	357,677
Other payables	–	749,098	–	–	–	–	749,098	749,098
Borrowings – fixed rate	3.86	63,696	444,679	339,287	1,947,996	381,328	3,176,986	2,817,454
		1,149,363	465,787	339,287	1,947,996	381,328	4,283,761	3,924,229
Lease liabilities	4.78	3,074	6,886	4,834	–	–	14,794	13,589

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The valuation was reviewed and approved by the Chief Financial Officer. The valuation process and results are discussed with the directors twice a year for interim and annual financial reporting. The valuation processes were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair value of these financial assets and liabilities are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(1) Other financial assets – investment in preference shares	**212,443**	162,910	Level 3	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value is (note a). The higher Expected volatility, the higher the value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(2) Other financial assets – investment in preference shares (note g)	**96,888**	82,079	Level 3	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(3) Other financial assets – investment in preference shares	**61,252**	31,768	Level 3	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(4) Other financial assets – investment in preference shares	**53,173**	30,000	Level 3 (Note e)	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(5) Other financial assets – investment in preference shares (note g).	**50,980**	30,000	Level 3 (Note e)	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(6) Other financial assets – investment in preference shares	**43,374**	20,000	Level 3 (Note e)	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(7) Other financial assets – investment in preference shares	**40,156**	35,097	Level 3	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(8) Other financial assets – investment in preference shares (note g)	**37,778**	76,353	Level 3	Market comparison approach - reference to Price-to-cumulative Sales multiple ("**P/Sales multiple**") (31 December 2024: Back-solve from recent transaction price)	DLOM-discount of lack of marketability/ P/Sales multiple/Expected option life/Risk free rate/expected volatility	The higher the DLOM is, the lower the fair value is (note a). The higher the P/Sales is, the higher the fair value is (note b). The higher the expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is.
(9) Other financial assets – investment in preference shares	**37,561**	34,215	Level 3	Market comparison approach – reference to Price-to-cumulative Research & Development Expenses multiple ("**P/R&D multiple**")	DLOM-discount of lack of marketability/ P/R&D multiple/ Expected option life/Risk free rate/ expected volatility	The higher the DLOM is, the lower the fair value is (note a). The higher the P/R&D is, the higher the fair value is (note c). The higher the expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(10) Other financial assets – investment in preference shares	**32,506**	31,198	Level 3	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(11) Other financial assets – investment in preference shares	**32,376**	19,761	Level 3	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(12) Other financial assets – investment in preference shares (note g)	**27,539**	25,000	Level 3 (Note f)	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(13) Other financial assets – investment in preference shares (note g)	**24,935**	25,918	Level 3	Equity allocation	IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected Volatility	The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is (note d).

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(14) Other financial assets – investment in preference shares	**20,104**	20,000	Level 3 (Note e)	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(15) Other financial assets – investment in preference shares	**7,474**	7,464	Level 3	Back-solve from recent transaction price	DLOM-discount of lack of marketability/ IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(16) Other financial assets – investment in preference shares	**3,500**	3,500	Level 3 (Note f)	Equity allocation	IPO/Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected volatility	The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(17) Other financial assets – investment in preference shares	**-**	41,759	Level 3	Income approach in this approach, the discounted cash flow method was used to estimate the return from the underlying assets (31 December 2024: Back-solve from recent transaction price)	Discount rate (31 December 2024: DLOM-discount of lack of marketability/IPO/ Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected Volatility)	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(18) Other financial assets – investment in preference shares	-	23,845	Level 3	Income approach in this approach, the discounted cash flow method was used to estimate the return from the underlying assets (31 December 2024: Back-solve from recent transaction price)	Discount rate (31 December 2024: DLOM-discount of lack of marketability/IPO/ Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected Volatility)	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.
(19) Other financial assets – investment in preference shares	-	3,659	Level 3	Income approach in this approach, the discounted cash flow method was used to estimate the return from the underlying assets (31 December 2024: Back-solve from recent transaction price)	Discount rate (31 December 2024: DLOM-discount of lack of marketability/IPO/ Redemption/ Liquidation probability/ Expected option life/Risk free rate/ Expected Volatility)	The higher the DLOM is, the lower the fair value (note a). The higher expected volatility, the higher the fair value is. The lower the risk free rate, the higher the fair value is. The higher the IPO probability, the higher the fair value is.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
(20) Other financial assets – investment in preference shares and unlisted equity Investments	**200,931**	–	Level 2	Recent transaction	N/A	N/A
(21) Other financial assets – structured Deposit	**2,010,186**	1,551,023	Level 2	Recent transaction	N/A	N/A
(22) Other financial Liabilities – structured Deposit	**620,662**	460,960	Level 3	Share of fair value of the underlying net assets held by the investee	N/A	N/A

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Note a: A slight increase in the DLOM used in isolation would result in a slight decrease in the fair value measurement of unlisted equity investment. If the DLOM was 5% higher/lower while holding all other variables constant, the carrying amount as at 31 December 2025 and 31 December 2024 of such investments would decrease/increase as followings

Financial assets reference number		Impact on carrying amount as at 31 December 2025- DLOM/+5% RMB'000	Impact on carrying amount as at 31 December 2025- DLOM/-5% RMB'000
(1)	Other financial assets – investment in preference shares	(13,024,000)	12,928,000
(2)	Other financial assets – investment in preference shares	(5,377,000)	5,343,000
(3)	Other financial assets – investment in preference shares	(1,834,000)	1,834,000
(4)	Other financial assets – investment in preference shares	(2,221,000)	2,181,000
(5)	Other financial assets – investment in preference shares	(3,364,000)	3,355,000
(6)	Other financial assets – investment in preference shares	(2,304,000)	2,277,000
(7)	Other financial assets – investment in preference shares	(2,187,000)	2,174,000
(8)	Other financial assets – investment in preference shares	(3,434,000)	3,457,000
(9)	Other financial assets – investment in preference shares	(955,000)	886,000
(10)	Other financial assets – investment in preference shares	(1,872,000)	1,829,000
(11)	Other financial assets – investment in preference shares	(1,643,000)	1,635,000
(12)	Other financial assets – investment in preference shares	(615,000)	597,000
(14)	Other financial assets – investment in preference shares	(1,465,000)	1,464,000
(15)	Other financial assets – investment in preference shares	(532,000)	531,000

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(i) Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis (Continued)

Note a: (Continued)

Financial assets reference number		Impact on carrying amount as at 31 December 2024- DLOM/+5% RMB'000	Impact on carrying amount as at 31 December 2024- DLOM/-5% RMB'000
(1)	Other financial assets – investment in preference shares	(10,352,000)	10,344,000
(2)	Other financial assets – investment in preference shares	(4,070,000)	4,095,000
(3)	Other financial assets – investment in preference shares	(1,762,000)	1,770,000
(7)	Other financial assets – investment in preference shares	(1,953,000)	1,940,000
(9)	Other financial assets – investment in preference shares	(937,000)	880,000
(10)	Other financial assets – investment in preference shares	(1,686,000)	1,647,000
(11)	Other financial assets – investment in preference shares	(988,000)	1,425,000
(15)	Other financial assets – investment in preference shares	(541,000)	540,000
(17)	Other financial assets – investment in preference shares	(2,306,000)	2,300,000
(18)	Other financial assets – investment in preference shares	(1,462,000)	1,456,000
(19)	Other financial assets – investment in preference shares	(256,000)	256,000

Note b: A slight increase in the P/Sales multiple used in isolation would result in a slight increase in the fair value measurement of unlisted equity investment and vice versa. If the P/Sales multiple was 5% higher/lower while all other variables remain constant, the carrying amount of the unlisted equity investment would increase/decrease by RMB2,972,000 as at 31 December 2025.

Note c: A slight increase in the P/R&D multiple used in isolation would result in a slight increase in the fair value measurement of unlisted equity investment and vice versa. If the P/R&D multiple was 5% higher/lower while all other variables remain constant, the carrying amount of the unlisted equity investment would increase/decrease by RMB777,000 as at 31 December 2025(RMB708,000 as at 31 December 2024).

Note d: A slight increase in the IPO probability used in isolation would result in a slight increase in the fair value measurement of unlisted equity investment and vice versa. If the IPO probability was 5% higher/lower while all other variables remain constant, the carrying amount of the unlisted equity investment would increase/decrease by RMB29,000 as at 31 December 2025 and 2024.

Note e: The fair value hierarchy was transferred from Level 2 to Level 3 because there were new equity transactions occurred with different rights with those owned by the Group during the year ended 31 December 2025.

Note f: The fair value hierarchy was transferred from Level 2 to Level 3 because no new equity transaction occurred for the year ended 31 December 2025.

Note g: The Group has the power to appoint one director of this company under the terms of relative investment agreements.

37. FINANCIAL INSTRUMENTS (Continued)

37c. Fair value measurements of financial instruments (Continued)

(ii) Reconciliation of Level 3 fair value measurement

The following table presents the reconciliation of Level 3 measurements of financial assets at FVTPL during the years.

	RMB'000
At 1 January 2024	364,327
Transferred from level 2	211,461
Purchased	99,313
Disposals	(198,333)
Fair value gain recognized in profit or loss	99,258
At 31 December 2024	576,026
Transferred from level 2	128,500
Transferred to level 2	(31,768)
Purchased	97,847
Fair value loss recognized in profit or loss	(49,818)
At 31 December 2025	720,787

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values. Such fair values have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

38. 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.

	Interest payables RMB'000 (note 26)	Lease liabilities RMB'000 (note 29)	Borrowings RMB'000 (note 28)	Total RMB'000
At 1 January 2024	2,964	98,597	3,521,932	3,623,493
Financing cash flows (note)	(122,425)	(25,965)	(704,478)	(852,868)
Termination of lease	–	(62,437)	–	(62,437)
Interest expenses	124,273	3,394	–	127,667
At 31 December 2024 and 1 January 2025	**4,812**	**13,589**	**2,817,454**	**2,835,855**
Financing cash flows (note)	**(95,239)**	**(12,059)**	**(38,683)**	**(145,981)**
Addition of lease	**–**	**34,748**	**–**	**34,748**
Interest expenses	**93,317**	**726**	**–**	**94,043**
At 31 December 2025	**2,890**	**37,004**	**2,778,771**	**2,818,665**

Note: The cash flows from interest payables, lease liabilities and borrowings make up the net amount of proceeds and repayments in consolidated statement of cash flows.

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2025 RMB'000	2024 RMB'000
Non-current assets		
Intangible assets	**84,747**	35,518
Investment in subsidiaries	**7,304,391**	6,429,385
Other financial assets	**2,185,922**	1,946,877
Equity instruments at FVTOCI		–
Prepayments and other receivables	**2,057**	4,114
Amounts due from subsidiaries	**14,286,215**	13,169,709
	23,863,332	21,585,603
Current assets		
Prepayments and other receivables	**292,498**	279,609
Amounts due from subsidiaries	**2,644,702**	1,607,596
Bank balances	**4,583,587**	3,295,405
Other financial assets	**886,372**	–
	8,407,159	5,182,610
Current liabilities		
Other payables and accrued expenses	**154,464**	22,560
Amounts due to subsidiaries	**1,115,666**	706,945
	1,270,130	729,505
Net current assets	**7,137,029**	4,453,105
Net assets	**31,000,361**	26,038,708
Capital and reserves		
Share capital	**119**	113
Reserves	**31,000,242**	26,038,595
Total equity	**31,000,361**	26,038,708

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

The movement of the reserves of the Company are as follows:

	Share premium RMB'000	FVTOCI reserve RMB'000	Share-based payments reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	27,324,496	(105,154)	1,409,458	(3,878,531)	24,750,269
Profit and total comprehensive income for the year	–	60,985	–	586,509	647,494
Recognition of equity-settled Share-based payment	–	–	556,521	–	556,521
Vesting of restricted shares	245,949	–	(245,949)	–	–
Exercise of share options	152,179	–	(67,868)	–	84,311
Disposal of equity instruments at FVTOCI	–	44,169	–	(44,169)	–
At 31 December 2024	**27,722,624**	**–**	**1,652,162**	**(3,336,191)**	**26,038,595**
At 1 January 2025	**27,722,624**	**–**	**1,652,162**	**(3,336,191)**	**26,038,595**
Loss and total comprehensive expense for the year	**–**	**–**	**–**	**(419,798)**	**(419,798)**
Placing of ordinary shares	**3,889,836**	**–**	**–**	**–**	**3,889,836**
Issuance of ordinary share	**586,866**	**–**	**–**	**–**	**586,866**
Recognition of equity-settled Share-based payment	**–**	**–**	**662,696**	**–**	**662,696**
Vesting of restricted shares	**304,725**	**–**	**(304,726)**	**–**	**(1)**
Exercise of share options	**395,287**	**–**	**(153,239)**	**–**	**242,048**
At 31 December 2025	**32,899,338**	**–**	**1,856,893**	**(3,755,989)**	**31,000,242**

40. EVENTS AFTER THE END OF THE REPORTING PERIOD

Except as disclosed elsewhere of the consolidated financial statements, no important events affecting the Company occurred since the end of the reporting period and up to the date of this annual report.

Five Year Financial Summary

Condensed Consolidated Income Statements of Profit or Loss

	For the year ended 31 December				
	2021 (RMB'000)	2022 (RMB'000) (Restated)	2023 (RMB'000)	2024 (RMB'000)	**2025 (RMB'000)**
Revenue from contracts with customers	4,269,729	4,556,380	6,206,070	9,421,888	**13,041,523**
Cost of Sales	(505,337)	(930,990)	(1,136,266)	(1,510,210)	**(1,756,019)**
Other income	196,881	279,735	552,350	535,907	**560,053**
Other gains and losses	(72,784)	774,340	81,164	250,000	**(246,848)**
Research and development expenses	(2,322,513)	(2,871,220)	(2,227,556)	(2,681,074)	**(2,624,214)**
Administrative and other expenses	(806,010)	(835,488)	(750,278)	(738,046)	**(926,984)**
Selling and marketing expenses	(2,620,142)	(2,590,765)	(3,100,693)	(4,346,892)	**(5,712,907)**
Royalties and other related payments	(719,077)	(450,763)	(670,578)	(901,538)	**(1,319,294)**
Finance costs	(62,464)	(101,698)	(98,624)	(67,647)	**(79,598)**
Share of results of an associate	–	–	–	(41,009)	**(96,788)**
Income tax credit (expense)	(87,038)	(8,801)	116,498	(16,010)	**(25,359)**
Profit/(Loss) for the year	(2,728,755)	(2,179,270)	(1,027,913)	(94,631)	**813,565**

Five Year Financial Summary

Condensed Consolidated Statements of Financial Position

	For the year ended 31 December				
	2021 (RMB'000)	2022 (RMB'000)	2023 (RMB'000)	2024 (RMB'000)	**2025 (RMB'000)**
Current assets	11,550,849	11,506,708	13,427,985	10,272,837	**22,013,335**
Inventories	1,347,240	1,428,882	968,088	822,167	**1,301,745**
Trade receivables	968,405	575,269	1,005,891	1,184,407	**1,713,832**
Prepayments and other receivables	213,261	336,521	484,377	382,523	**729,072**
Contract cost	–	–	–	–	**37,240**
Other financial assets	644,848	3,213	917,534	375,555	**886,741**
Bank balances and cash	8,377,095	9,162,823	10,052,095	7,508,185	**17,344,705**
Current liabilities	3,050,047	3,499,198	4,476,816	4,368,869	**8,386,565**
Trade and bills payables	195,050	325,622	372,549	357,677	**494,589**
Other payables and accrued expenses	2,051,624	1,820,977	2,467,771	3,340,852	**4,779,553**
Contract liabilities	355,506	434,911	416,166	256,411	**2,312,224**
Borrowings	365,000	888,000	1,195,155	405,100	**789,170**
Lease liabilities	22,273	26,392	25,175	8,829	**11,029**
Tax Payables	60,594	3,296	–	–	**–**
Net current assets	8,500,802	8,007,510	8,951,169	5,903,968	**13,626,770**
Non-current assets	4,692,864	6,082,137	7,199,375	11,329,765	**15,334,504**
Non-current liabilities	2,863,269	3,359,698	3,622,963	4,116,004	**9,605,031**
Net assets	10,330,397	10,729,949	12,527,581	13,117,729	**19,356,243**
Total equity	10,330,397	10,729,949	12,527,581	13,117,729	**19,356,243**

Definitions

"1L" or "first-line"	first-line
"2L" or "second-line"	second-line
"3L" or "third-line"	third-line
"2018 RS Plan"	the Innovent Biologics, Inc. 2018 Restricted Share Plan adopted by the Company on 15 October 2018
"2020 RS Plan"	the Innovent Biologics, Inc. 2020 Restricted Share Plan adopted by the Company on 12 June 2020
"2024 Share Scheme"	the share incentive scheme of the Company adopted by the Company on 21 June 2024
"ADA"	American Diabetes Association
"ADC"	antibody-drug conjugate
"AGM" or "Annual General Meeting"	the annual general meeting of the Company to be held on 24 June 2026 or any adjournment thereof
"AGT"	angiotensinogen
"ANG-2"	angiopoietin-2
"Articles of Association"	the fifteenth amended and restated articles of association of the Company adopted on 21 June 2024, as amended from time to time
"ASCO"	American Society of Clinical Oncology
"ASH"	American Society of Hematology
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Company
"BC"	breast cancer
"BCMA"	B cell maturation antigen
"BCVA"	best-corrected visual acuity
"Board" or "Board of Directors"	the board of directors of our Company
"BTD"	Breakthrough Therapy Designations by the NMPA

Definitions

"BTK"	Bruton tyrosine kinase
"CC"	cervical cancer
"CCA"	cholangiocarcinoma
"China" or the "PRC"	the People's Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding the regions of Hong Kong, the Macau and Taiwan
"CLDN"	Claudin
"CLL/SLL"	chronic lymphocytic leukemia or small lymphocytic lymphoma
"CMC"	chemistry, manufacturing and controls
"CML"	chronic myeloid leukaemia
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", "the Company" or "Innovent"	Innovent Biologics, Inc. 信達生物製藥, an exempted company with limited liability incorporated under the laws of the Cayman Islands on 28 April 2011
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transactions"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code" or "CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended from time to time
"cORR"	confirmed overall objective response rate
"CRC"	colorectal cancer
"CSCO"	Chinese Society of Clinical Oncology
"CTLA-4"	cytotoxic T-lymphocyte associated protein 4
"CVM"	cardiovascular and metabolic diseases
"DCR"	disease control rate
"Director(s)"	the director(s) of our Company

Definitions

"DME"	diabetic macular edema
"Dr. Yu"	Dr. De-Chao Michael Yu, our Chief Executive Officer, Chairman and executive Director
"EBITDA"	earnings before interest, taxes, depreciation and amortization
"EGFR"	epidermal growth factor receptor
"Eli Lilly" or "Lilly"	Eli Lilly and Company, a U.S. company, organized and existing under the laws of the State of Indiana on 17 January 1901, having a place of business at Lilly Corporate Center, Indianapolis, Indiana 46285
"EMC"	endometrial cancer
"Employee Participants"	has the meaning ascribed to it in the Listing Rules
"ESCC"	esophageal squamous cell carcinoma
"ESG"	environmental, social and governance
"ESMO"	European Society For Medical Oncology
"FGFR"	fibroblast growth factor receptor
"FTD"	fast-track designation
"FVTOCI"	fair value through other comprehensive income
"FVTPL"	fair value through profit or loss
"GC"	gastric cancer
"GCG"	glucagon
"GI"	gastrointestinal
"GLP-1"	glucagon-like peptide-1
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"HCC"	hepatocellular carcinoma
"HeFH"	heterozygous familial hypercholesterolemia

Definitions

"HER2"	human epidermal growth factor receptor 2
"HFpEF"	heart failure with preserved ejection fraction
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HSI"	Hang Seng Index, the benchmark of the Hong Kong stock market
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IGF-1R"	insulin-like growth factor-1 receptor
"IL-17"	interleukin 17
"IL-1RAP"	interleukin 1 receptor accessory protein
"IL-23p19"	interleukin 23, alpha subunit p19
"ImmVirX"	ImmVirX Pty Limited
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"IO"	immuno-therapy
"IPO"	initial public offering
"ISAF"	Pharmaceutical Administration Bureau of Macau
"KRAS G12C"	G12C mutation (glycine-to-cysteine substitution at codon 12) in the KRAS proto-oncogene
"Latest Practicable Date"	April 22, 2026, being the latest practicable date to ascertain certain information set out in this annual report prior to its publication
"LG Chem"	LG Chem Life Sciences
"Listing Rules"	the Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Macau"	Macau Special Administrative Region of China
"MAFLD"	metabolic dysfunction-associated fatty liver disease

Definitions

"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"MASH"	metabolic dysfunction-associated steatohepatitis
"MCL"	mantle cell lymphoma
"mCRC"	metastatic colorectal cancer
"MDS"	myelodysplastic syndrome
"median OS"	median overall survival
"MoA"	mechanism-of-action
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"mPFS"	median progression-free survival
"MRCT"	multi-regional clinical trial
"MSCI"	Morgan Stanley Capital International
"MSI-H/dMMR"	microsatellite instability-high or mismatch repair-deficient
"MTC"	medullary thyroid cancer
"nAMD"	neovascular age-related macular degeneration
"NDA"	new drug application
"NEJM"	New England Journal of Medicine
"NMPA"	China National Medical Products Administration (國家藥品監督管理局), successor to the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Company
"NRDL"	the National Reimbursement Drug List
"NSCLC"	non-small cell lung cancer
"NYSE"	the New York Stock Exchange
"OC"	ovarian cancer

Definitions

"OSA"	obstructive sleep apnea
"PCSK9"	proprotein convertase subtilisin/kexin type 9 enzyme
"PD-1"	programmed cell death protein 1
"PD-L1"	programmed cell death protein 1 – Ligand 1
"PDAC"	pancreatic ductal adenocarcinoma
"PoC"	proof-of-concept
"Post-IPO ESOP"	the post-IPO share option scheme adopted by the Company on 12 June 2018
"Pre-IPO Plan"	the pre-IPO share incentive plan adopted by the Company on 10 May 2012 as amended from time to time
"PROC"	platinum-resistant ovarian cancer
"pSS"	primary Sjögren's syndrome
"R&D"	research and development
"RCC"	renal cell carcinoma
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the year ended 31 December 2025
"Restricted Shares"	restricted share(s), being a contingent right to receive Share(s) awarded under the RS Plan or 2024 Share Scheme
"RET"	RET proto-oncogene
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"R/R MM"	relapsed or refractory multiple myeloma
"ROS1"	ROS proto-oncogene 1
"Service Provider"	has the meaning ascribed to it in the Listing Rules
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

Definitions

"Share(s)"	ordinary share(s) in the share capital of our Company, currently with a par value of US$0.00001 each
"Shareholder(s)"	holder(s) of the Share(s)
"siRNA"	small interfering ribonucleic acid
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"T2D"	type 2 diabetes
"Takeda"	Takeda Pharmaceutical Company Limited (Tokyo Stock Exchange stock code: 4502; New York Stock Exchange symbol: TAK), a limited liability company, duly organized and existing under the laws of Japan
"TC"	thyroid cancer
"TED"	thyroid eye disease
"TKI"	tyrosine kinase inhibitor
"United States" or "the U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. FDA" or "FDA"	The U.S. Food and Drug Administration
"VEGF"	vascular endothelial growth factor
"wAMD"	wet age-related macular degeneration
"XOI"	xanthine oxidase inhibitor
"YoY"	year-over-year
"%"	per cent

Innovent
信达生物制药

Innovent
Address: 168 Dongping Street, Industrial Park,
Suzhou, Jiangsu Province