



Keymed Biosciences Inc.

康諾亞生物醫藥科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2162)



2025
ANNUAL REPORT

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Definitions

In this annual report, unless the context otherwise requires, the following expressions shall have the following meanings.

“AGM”	the 2026 annual general meeting of the Company to be held on June 26, 2026
“Articles of Association”	the sixth amended and restated Memorandum and Articles of Association of the Company, as amended, supplemented or otherwise modified from time to time
“Audit Committee”	the audit committee of the Board
“Board of Directors” or “Board”	the board of Directors
“CDE”	Center for Drug Evaluation of the NMPA
“CG Code”	the “Corporate Governance Code” as contained in Appendix C1 to the Listing Rules
“cGMP” or “Current Good Manufacturing Practice”	cGMP refers to the Current Good Manufacturing Practice regulations enforced by the FDA. cGMPs provide for systems that assure proper design, monitoring, and control of manufacturing processes and facilities. Adherence to the cGMP regulations assures the identity, strength, quality, and purity of drug products by requiring that manufacturers of medications adequately control manufacturing operations. This includes establishing strong quality management systems, obtaining appropriate quality raw materials, establishing robust operating procedures, detecting and investigating product quality deviations, and maintaining reliable testing laboratories
“Chengdu Keymed”	Keymed Biosciences Co., Ltd. (康諾亞生物醫藥科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of our Company
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this annual report and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”, “the Company” or “our Company”	Keymed Biosciences Inc., an exempted company with limited liability incorporated in the Cayman Islands on April 23, 2018
“Core Product”	CM310, the designated “core product” as defined under Chapter 18A of the Listing Rules
“CRO(s)”	contract research organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
“CSPC”	CSPC Pharmaceutical Group Limited, a company listed on the Stock Exchange (stock code: 1093), and its affiliates
“Director(s)”	the director(s) of the Company or any one of them

Definitions

“Dr. Chen”	Dr. Bo CHEN, the chairman of our Board, an executive Director and the chief executive officer of our Company
“EASI”	the Eczema Area and Severity Index is a validated scoring system that grades the physical signs of AD. An area score of 0-6 is assigned for each body region (total of four), depending on the percentage of AD-affected skin in that area: 0 (none), 1 (1% to 9%), 2 (10% to 29%), 3 (30% to 49%), 4 (50% to 69%), 5 (70% to 89%), or 6 (90% to 100%). The composite score, on a scale from 0 to 72, determines the severity of the signs of AD and the extent to which a patient is affected. EASI-75 indicates $\geq 75\%$ improvement from baseline
“FDA”	the Food and Drug Administration of the United States
“FVTPL”	fair value through profit and loss
“Global Offering”	the global offering of the Shares, details of which are set forth in the Prospectus
“Group”, “our Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“iBridge HK”	iBridge HK Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of our Company
“IFRSs”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“IGA”	Investigator’s Global Assessment scale, a five-point scale that provides a global clinical assessment of AD severity ranging from 0 to 4, where 0 indicates clear, 2 is mild, 3 is moderate and 4 indicates severe AD
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
“Independent Third Party” or “Independent Third Parties”	a person or entity who is not a connected person of the Company under the Listing Rules
“InnoCare”	Beijing InnoCare Pharma Tech Co., Ltd. (北京諾誠健華醫藥科技有限公司), a limited liability company incorporated under the laws of the PRC on December 13, 2013, a subsidiary of InnoCare Pharma Limited (Stock Code: 9969), and an Independent Third Party

Definitions

“IPO”	the initial public offering of the Shares on the Main Board of the Stock Exchange on July 8, 2021
“JMT-Bio”	Shanghai JMT-Bio Technology Co., Ltd. (上海津曼特生物科技有限公司), a wholly-owned subsidiary of CSPC
“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)
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“NDA/BLA”	new drug application/biologics license application
“NMPA”	the National Medical Product Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
“Prospectus”	the prospectus of the Company dated June 25, 2021
“R&D”	research and development
“Reporting Period”	the year ended December 31, 2025
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	restricted share unit(s), being a conditional right when an award under the 2021 RSU Scheme or 2022 RSU Scheme vests whereby the grantee shall be entitled to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting
“Share(s)”	ordinary share(s) with nominal value of US\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the U.S.
“2021 RSU Scheme”	the restricted share unit scheme adopted by the Board on April 5, 2021
“2022 RSU Scheme”	the restricted share unit scheme adopted by the Board on January 21, 2022
“%”	per cent

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Bo CHEN
Dr. Changyu WANG
Dr. Gang XU

Non-executive Directors

Mr. Qi CHEN
Dr. Min Chuan WANG
Mr. Yilun LIU

Independent non-executive Directors

Prof. Xiao-Fan WANG
Prof. Yang KE
Mr. Cheuk Kin Stephen LAW

AUDIT COMMITTEE

Mr. Cheuk Kin Stephen LAW (*Chairperson*)
Mr. Qi CHEN
Prof. Yang KE

REMUNERATION COMMITTEE

Prof. Xiao-Fan WANG (*Chairperson*)
Dr. Changyu WANG
Prof. Yang KE

NOMINATION COMMITTEE

Dr. Bo CHEN (*Chairperson*)
Prof. Xiao-Fan WANG
Prof. Yang KE (*appointed on March 24, 2025*)
Mr. Cheuk Kin Stephen LAW
(*ceased to be a member on March 24, 2025*)

JOINT COMPANY SECRETARIES

Mr. Yanrong ZHANG
(*resigned on August 26, 2025*)
Ms. Vivien Pak Yu TAM

AUTHORISED REPRESENTATIVES

(*for the purpose of the Listing Rules*)
Dr. Bo CHEN
Dr. Changyu WANG

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

REGISTERED OFFICE

Floor 4, Willow House, Cricket Square
Grand Cayman KYI-9010
Cayman Islands

CORPORATE HEADQUARTERS

No. 669 Fenghuang Road,
Shuangliu District, Chengdu
Sichuan, 610219
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Campbells Corporate Services Limited
Floor 4, Willow House, Cricket Square
Grand Cayman KY1-9010
Cayman Islands

Corporate Information

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANKERS

China Minsheng Bank
China Merchants Bank

COMPANY WEBSITE

www.keymedbio.com

STOCK CODE

2162

LISTING DATE

July 8, 2021

Chairman's Statement

Dear Investors,

First and foremost, on behalf of Keymed, I would like to express our heartfelt gratitude for your trust and support over the years.

2025 marks the tenth anniversary of Keymed's development, and is a critical year for our transition from being "R&D-driven" to being "driven by both R&D and commercialization". Three indications of our Core Product, Kangyueda (康悦達®) (Stapokibart), were included in the National Reimbursement Drug List (NRDL). Multiple out-licensing transactions have been concluded, marking significant milestones, while the Company continues to deploy diversified technology platforms. Several core pipelines demonstrated best-in-class potential, our advantageous data was frequently published in top international journals, and our talent team and production capacity continued to expand, laying a solid foundation for the high-quality development of the Company.

As the first domestically self-developed and approved IL-4R α antibody drug, Kangyueda (康悦達®) (Stapokibart) ushered in a full commercial launch in 2025. This product has achieved three milestones: the first domestic biologic for the treatment of moderate-to-severe atopic dermatitis, the first domestic biologic for the treatment of chronic rhinosinusitis with nasal polyps, and the world's first IL-4R α antibody for the treatment of seasonal allergic rhinitis. All three indications, along with two packaging forms (vials and pre-filled auto-injector pens), were included in the NRDL in December 2025.

With specialized academic promotion, differentiated indication strategies, and excellent clinical outcomes, Kangyueda (康悦達®) has rapidly earned a solid reputation among doctors and patients, while continuously unlocking its commercialization potentials. Sales revenue for the year 2025 amounted to approximately RMB315 million. As of the first quarter of 2026, the commercialization team has grown to 480 members, expanding to cover more than 1,500 hospitals across over 260 cities, and market access efforts are advancing rapidly. Through our increasingly mature commercialization system and large-scale antibody production capacity, we can compete in the market at a lower cost, allowing innovative therapies to benefit patients faster and more broadly.

In 2025, we made significant strides in our internationalization process. Multiple BD advancements validated the innovative potential of our platforms and the achievements of our diversified licensing cooperations.

As a global first-in-class Claudin 18.2 ADC drug, CMG901 (AZD0901, Claudin 18.2 ADC), following its global development out-license to AstraZeneca, has comprehensively accelerated multiple global Phase III clinical trials, including first-line combination therapy for gastric cancer and later-line treatment for gastric cancer. In addition, Phase II clinical studies for perioperative treatment and advanced solid tumors are both advancing rapidly.

In March 2026, Gilead Sciences acquired Ouro Medicines by way of a merger, obtaining the global rights of CM336/OM336 (excluding the Greater China region). Under the merger agreement, as a shareholder of Ouro Medicines, Keymed will receive an initial payment of approximately US\$250 million after completion of the transaction, as well as a milestone payment up to approximately US\$70 million, bringing the total revenue amount to approximately US\$320 million; meanwhile, Gilead will continue to fulfill the milestone payments and tiered royalties on net sales of up to US\$610 million for CM336/OM336 as stipulated in the agreement signed between Keymed and Ouro in November 2024.

Chairman's Statement

Keymed's NewCo closed-loop model not only reflects the strong endorsement of our innovative platform by global capital but also demonstrates our research and development capabilities on an international scale.

In 2025, we were continuously advancing our research initiatives in multiple areas, including allergic diseases, autoimmune diseases, tumor therapy, and neurodegenerative diseases, and will continue to move more innovative molecules into clinical trials, spanning various drug formats, including oligonucleotide drugs, antibody drug conjugates (ADCs), Protac drugs, monoclonal antibodies, and multi-specific antibodies, aiming to address more unmet clinical needs.

Furthermore, we will continue to expand and enhance the capabilities of our technology platforms to establish a cornerstone for pipeline R&D in the next decade. Keymed will continue to use optimal molecular design to address unmet clinical needs, adhere to independent R&D and differentiated innovation, provide patients with more high-quality and affordable innovative therapies, and create sustainable long-term value for Shareholders, partners, and society.

Thank you for the trust, supervision, and support from our investors, which enables Keymed to grow continuously. We are also delighted that the Company's strong R&D capabilities, development strategies, and operational efficiency have been widely recognized by the capital market. Those who persevere often achieve their goals. Keymed will continue to be driven by innovation, patients centered, and value oriented. We look forward to working hand in hand with all investors to create an even more brilliant future!

Thank you!

Yours faithfully,

Dr. Bo CHEN

Chairman and Chief Executive Officer

Financial Highlights

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>	Changes <i>RMB'000</i>	Year- on-year changes %
Revenue	716,313	428,124	288,189	67%
Cost of sales	(88,048)	(12,200)	(75,848)	622%
Gross profit	628,265	415,924	212,341	51%
Research and development expenses	(723,529)	(735,192)	11,663	(2%)
Loss for the year	(522,597)	(514,907)	(7,690)	1%
Adjusted loss for the year (as illustrated under "Non-IFRSs Measures")	(494,834)	(480,561)	(14,273)	3%
	December 31, 2025 <i>RMB'000</i>	December 31, 2024 <i>RMB'000</i>	Changes <i>RMB'000</i>	Year- on-year changes %
Cash and cash equivalents, time deposits, restricted cash and bank wealth management products	1,963,337	2,155,612	(192,275)	(9%)

Non-IFRSs Measures:

Adjusted loss for the year represents the loss for the year excluding the share-based payment expenses, amounting to RMB27,763,000 (2024: RMB34,346,000). The term adjusted loss for the year is not defined under IFRSs. The use of this non-IFRSs measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRSs. Our presentation of this adjusted figure may not be comparable to similarly titled measures presented by other companies. However, we believe that this non-IFRSs measure reflects our core operating results by eliminating potential impacts of items that our management do not consider to be indicative of our core operating performance, and thus, facilitate comparisons of core operating performance from period to period and company to company to the extent applicable.

Business Highlights

During the Reporting Period, we have accelerated the commercialization of our first marketed product, Kangyueda (康悦達®) and vigorously proceeded with the R&D of our products and made the following milestones and progress with respect to our pipeline under development and business operation:

- **The progress of core pipeline products:**

Kangyueda (康悦達®) (Stapokibart) (CM310) (IL-4R α antibody)

As of the date of this report, the new drug applications of Kangyueda (康悦達®) for the treatment of moderate-to-severe atopic dermatitis (AD) in adults, chronic rhinosinusitis with nasal polyps (CRSwNP) and seasonal allergic rhinitis (SAR) have been approved by the National Medical Products Administration (NMPA). Since January 2026, all launched indications of Kangyueda (康悦達®) and both of its packaging forms (vials and pre-filled auto-injector pens) have been included in the National Reimbursement Drug List of China, significantly enhancing affordability and accessibility for Chinese patients. During the Reporting Period, revenue for sales of Kangyueda (康悦達®) amounted to approximately RMB315 million.

In September 2025, Phase III clinical data for Stapokibart in adolescents with moderate-to-severe AD were presented at the 34th European Academy of Dermatology and Venereology (EADV) Congress. In January 2026, the new drug application for Stapokibart for the treatment of adolescents with moderate-to-severe AD was accepted by the NMPA. Simultaneously, we are advancing a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart in child subjects with moderate-to-severe AD, and as of the date of this report, patient enrollment is in progress.

Additionally, in 2025, we continuously proceeded with a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart injection in patients with prurigo nodularis (PN). At the end of March 2026, the new drug application for Stapokibart for the treatment of PN was accepted by the NMPA.

CMG901/AZD0901 (Sonesitatug vedotin, Claudin 18.2 antibody drug conjugate)

In February 2023, AstraZeneca AB (“AstraZeneca”, AZ) was granted an exclusive global license for research, development, registration, manufacturing, and commercialization of CMG901/AZD0901. As of the date of this report, AZ has conducted multiple clinical studies regarding CMG901/AZD0901 for treatments of advanced solid tumors, of which the indications include gastric cancer, pancreatic cancer and biliary tract cancer (for the same indication, only the highest clinical phase trial is listed):

- ① A multicenter, open-label, sponsor-blind, randomized Phase III clinical study (CLARITY-Gastric 01) comparing CMG901/AZD0901 monotherapy versus investigator’s choice in adult subjects with Claudin18.2-expressing advanced or metastatic gastric cancer or gastroesophageal junction adenocarcinoma who previously have received second-line or later-line treatment.
- ② A multicenter, randomized, controlled, Phase III clinical study (CLARITY-Gastric 02) of CMG901/AZD0901 in combination with Capecitabine, with or without Rilvegostomig, as first-line treatment for Claudin18.2-positive, HER2-negative advanced or metastatic gastric cancer, gastroesophageal junction cancer, or esophageal adenocarcinoma. In February 2026, the first subject was dosed in this clinical trial, triggering a milestone payment subject to the terms and conditions of the license agreement. In early March 2026, KYM Biosciences Inc. (a 70% non-wholly-owned subsidiary of the Group) received the relevant milestone payment totaling US\$45 million.

Business Highlights

- ③ An open-label, multi-drug, multi-center Phase II study to evaluate the safety, tolerability, pharmacokinetics, and preliminary anti-tumor activity of novel drugs or combination regimens as perioperative treatment in subjects with locally advanced resectable gastroesophageal adenocarcinoma (GEMINI PeriOp GC).
- ④ A Phase II, open-label, multicenter clinical study (CLARITY PanTumour01) to evaluate the safety, tolerability, efficacy, pharmacokinetics, and immunogenicity of CMG901/AZD0901 as monotherapy and in combination with anti-tumor drugs in subjects with Claudin 18.2-expressing advanced solid tumors (including gastric cancer/gastroesophageal junction adenocarcinoma, pancreatic cancer and biliary tract cancer).

CM512 (TSLP x IL-13 bispecific antibody)

In November 2025, a randomized, double-blinded, single/multiple dose-escalation, placebo-controlled Phase I clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of CM512 in healthy subjects and patients with moderate-to-severe AD met all research endpoints. 40 healthy subjects were enrolled in the single dose-escalation phase. A total of 70 subjects were enrolled in the multiple dose-escalation phase, including 24 healthy subjects and 46 patients with moderate-to-severe AD. The results showed: safety and tolerability profiles are good; it possesses excellent PK characteristics with a half-life of approximately 70 days, potentially allowing for longer dosing intervals as compared to available therapy; type 2 inflammatory markers continued to decrease, effectively controlling the inflammatory response; it demonstrated rapid disease control in patients with moderate-to-severe AD.

We successively initiated and proceeded with multiple Phase II clinical studies for CM512 in 2025 with indications covering CRSwNP, moderate-to-severe AD in adults, moderate-to-severe asthma, moderate-to-severe chronic obstructive pulmonary disease (COPD), and chronic spontaneous urticaria. As of the date of this report, a randomized, double-blinded, placebo-parallel Phase II clinical study to evaluate the safety and efficacy of CM512 injection in subjects with CRSwNP has completed the enrollment of 120 targeted subjects. Other Phase II clinical studies are in the patient enrollment phase.

CM518D1 (CDH17 ADC)

CM518D1 is an innovative antibody drug conjugate (ADC) drug independently developed based on an ADC discovery platform of the Company with full independent intellectual property rights that is formed by a novel sequence of recombinant humanized anti-cadherin 17 (CDH17) monoclonal antibody coupled with a novel cleavable linker and a proprietary topoisomerase I inhibitor, to be administered by intravenous infusion for subjects with advanced solid tumors without standard treatment or with standard treatment failure. CM518D1 achieves precise killing of tumor cell by targeting CDH17, which has the potential advantages of good anti-tumor efficacy and large safety window.

We initiated a multi-center, open-label Phase I/II clinical trial to evaluate CM518D1 for the treatment of patients with advanced solid tumors in June 2025. As of the date of this report, this study is in the dose-escalation phase and dose-expansion phase of Phase I clinical trial.

Business Highlights

CM336 (BCMA x CD3 bispecific antibody)

In 2025, we continuously proceeded with a multi-center, open-label Phase I/II clinical study to assess CM336 injection for the treatment of patients with relapsed or refractory multiple myeloma (RRMM). As of July 2025, in the Phase II dose-expansion stage, only 4.7% of subjects experienced Grade 2 cytokine release syndrome (CRS) events, with no immune effector cell-associated neurotoxicity syndrome (ICANS) events occurring. The objective response rate (ORR) in the target dose group was 95.2%, the rate of complete response (CR) or better was 76.2%, the minimal residual disease (MRD) negativity rate was 100%, and the 12-month progression-free survival rate was 95.2%. Concurrently, in the second half of 2025, we initiated a randomized, open-label, multicenter Phase III clinical study to evaluate CM336 monotherapy versus investigator's choice (standard of care, SOC) in RRMM patients who previously have received at least second-line treatment. As of the date of this report, this study is in the patient enrollment phase.

Furthermore, we conducted an open-label, multi-center Phase II clinical study to evaluate the efficacy and safety of CM336 injection for the treatment of relapsed or refractory primary light-chain amyloidosis in 2025, and as of the date of this report, this study is in the patient enrollment phase.

CM336 also has great potential in the field of autoimmune diseases. On June 11, 2025, the team led by Professor Jun SHI (施均) from the Institute of Hematology and Blood Diseases Hospital, Chinese Academy of Medical Sciences (Institute of Hematology, Chinese Academy of Medical Sciences) published research results titled "BCMA-Targeted T-Cell Engager for Autoimmune Hemolytic Anemia after CD19 CAR T-Cell Therapy" online in the *New England Journal of Medicine* (IF=96.3). This study first reported the successful salvage treatment with CM336 of 2 patients with autoimmune hemolytic anemia (AIHA) who relapsed after autologous CD19 CAR-T cell therapy and failed multiple lines of treatment. In the second half of 2025, we also initiated a Phase I/II clinical study to evaluate the safety and efficacy of CM336 injection for the treatment of subjects with relapsed or refractory autoimmune cytopenias. In November 2025, the first subject was enrolled. As of the date of this report, patient enrollment is underway for this study.

Overseas clinical progress: Ouro Medicines is conducting an open-label, multinational basket study in the United States and Australia to evaluate the efficacy of CM336/OM336 in adult patients with autoimmune cytopenias. Enrolled patients include those with relapsed or refractory autoimmune hemolytic anemia (AIHA), primary immune thrombocytopenia (ITP), or patients with both conditions. On January 23, 2026, CM336/OM336 was granted Fast Track Designation (FTD) by the Food and Drug Administration of the United States (FDA) for the treatment of AIHA and ITP. In addition, Ouro Medicines is advancing another open-label, multinational basket study to evaluate the therapeutic potential of CM336/OM336 in adult patients with active, autoantibody-positive, relapsed or refractory Sjögren's syndrome or idiopathic inflammatory myopathy.

Significant commercial progress of overseas partner: On March 23, 2026, our partner, Ouro Medicines, entered into a merger agreement with Gilead Sciences (NASDAQ: GILD). Gilead Sciences will acquire Ouro Medicines by way of a merger, with a transaction amount including an upfront payment of US\$1,675 million and a milestone payment of up to US\$500 million, bringing a maximum total transaction of US\$2,175 million. The Company, through iBridge HK, also disposed of its approximately 15% minority interest in Ouro Medicines as part of its merger agreement with Gilead Sciences, Inc. We will receive an initial payment of approximately US\$250 million after completion of the transaction, as well as a milestone payment of up to approximately US\$70 million, bringing the total revenue amount to up to approximately US\$320 million. Simultaneously, our milestone payments and tiered royalties on net sales of up to US\$610 million for CM336/OM336 will continue to be fulfilled by Gilead. After completion of the transaction, we will no longer hold equity interest in Ouro Medicines. As of the date of this report, this transaction has not yet closed.

Business Highlights

CM313 (CD38 antibody)

In 2025, we completed a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity, and preliminary efficacy of CM313 (subcutaneous formulation, SC) injection in subjects with primary immune thrombocytopenia. Additionally, we initiated a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the safety and efficacy of CM313 (SC) injection in subjects with IgA nephropathy in 2025. As of the date of this report, this study is in the patient enrollment phase.

CM383 (A β protofibrils antibody)

In 2025, we continuously proceeded with a randomized, double-blinded, placebo-controlled Phase Ib clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of multiple dose-escalation administration of CM383 in patients with mild cognitive impairment due to Alzheimer's Disease and mild Alzheimer's Disease. As of December 2025, this study has completed the patient enrollment.

CM559 (N3pG A β antibody)

In September 2025, we proceeded with a randomized, double-blinded, placebo-controlled Phase I clinical study to evaluate the safety, tolerability, pharmacodynamics and immunogenicity of single dose-escalation administration of CM559 in healthy male subjects. As of the date of this report, patient enrollment is underway for this study.

- **The progress of other pipeline products:**

CM350 (GPC3 x CD3 bispecific antibody)

In February 2025, we proceeded with a Phase I/II clinical study to assess the safety, tolerability, pharmacokinetics, and preliminary efficacy of CM350 in patients with advanced solid tumors. As of the date of this report, the product is currently in the dose-escalation phase of Phase I/II clinical study.

CM326 (TSLP antibody)

JMT-Bio, a wholly-owned subsidiary of CSPC, was granted the exclusive rights to develop, commercialize and manufacture CM326 in China (excluding Hong Kong, Macau, and Taiwan) for all diseases. As of the date of this report, CSPC is continuously advancing multiple indications for CM326, all of which are currently in the patient enrollment phase, including: ① a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of CM326 in subjects with moderate-to-severe asthma, which completed the first subject enrollment in March 2026; ② a multi-center, randomized, double-blinded, placebo-parallel Phase III clinical trial to evaluate the efficacy and safety of CM326 in patients with chronic rhinosinusitis with nasal polyps, which was initiated in February 2026; ③ a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the efficacy and safety of CM326 in subjects with moderate-to-very severe COPD, which completed the first subject enrollment in December 2025; ④ a Phase I study to evaluate the pharmacokinetics, safety, tolerability and immunogenicity of single subcutaneous administration of CM326 in adolescent subjects with asthma, which was initiated in June 2025.

Business Highlights

CM355/ICP-B02/PRO-203 (CD20 x CD3 bispecific antibody)

In 2025, InnoCare, a domestic partner, continuously proceeded with the clinical development of relapsed/refractory B-cell non-Hodgkin's lymphoma (r/r B-NHL) in this project, among patients reaching the therapeutic dose level, the overall response rate (ORR) was 82%, and the complete response (CR) rate was 59%. As of the date of this report, Prolium, an overseas partner, announced the initiation of dosing in healthy subjects in a single dose-escalation study of CM355/PRO-203, and expects to initiate an international multi-center Phase I/II clinical study for the treatment of systemic sclerosis (SSc) in the second quarter of 2026, and will also initiate therapeutic studies for other B-cell-driven severe autoimmune diseases within 2026. Additionally, in an investigator-initiated exploratory study, 5 patients with refractory advanced systemic lupus erythematosus (SLE) (all accompanied by lupus nephritis) are undergoing treatment evaluation.

CM369/ICP-B05 (CCR8 antibody)

CM369 is an anti-C-C motif chemokine receptor 8 (CCR8) monoclonal antibody, a potential first-in-class drug co-developed by the Company and InnoCare. As of the date of this report, the Phase I dose-escalation trial of CM369 in patients with advanced solid tumors and r/r NHL is continuing to progress.

- **Rapid expansion of workforce and production facilities**

As of December 31, 2025, we had 1,625 full-time employees in total, including over 407 employees engaging in commercialization and nearly 432 employees engaging in drug discovery and clinical operations. We will continue to recruit talents to meet the growing needs of commercialization, research and development, clinical, production and operation of the Company.

As of the date of this report, the production base has 3 pilot production lines and 3 commercial production lines with the production capacity of 21,800 litres in total. A stainless steel production line with an additional production capacity of 24,000 litres has been fully installed and commissioned, and is ready for operation. All the designs thereof are in compliance with the requirements of cGMP of the NMPA and FDA.

Management Discussion and Analysis

OVERVIEW

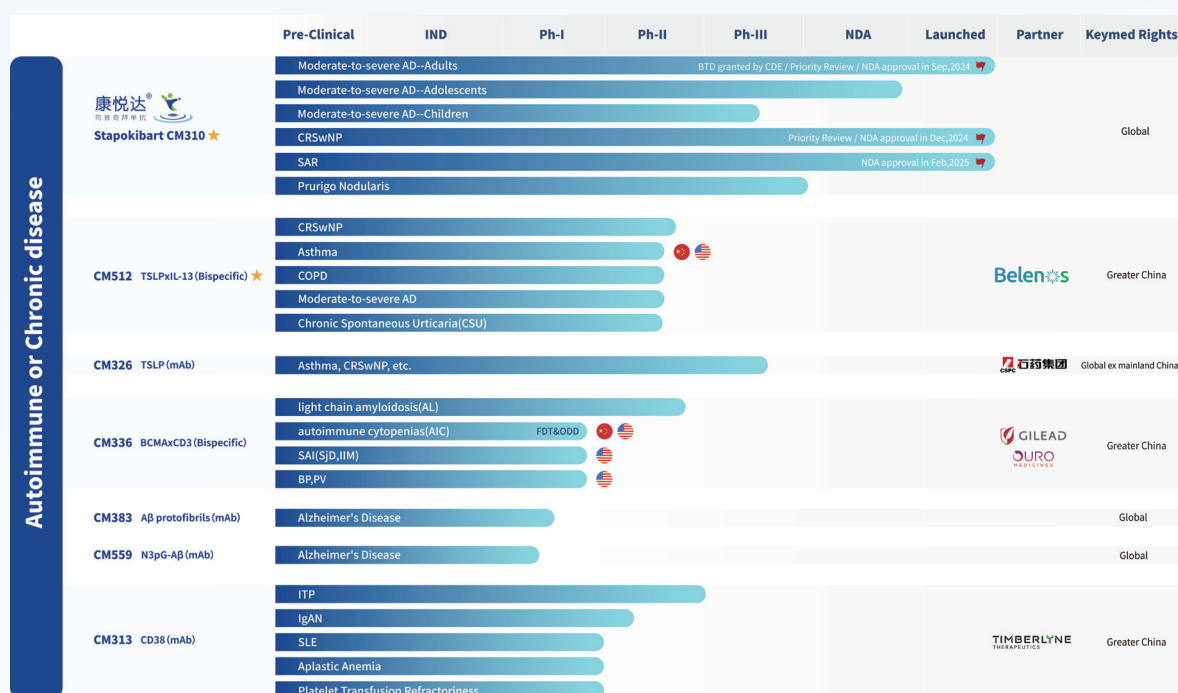
We are a biotechnology company based in China with a global outlook, focused on the in-house discovery, development, production and sales of innovative drugs in the chronic diseases-primarily autoimmune diseases as well as oncology therapeutic areas. We have multiple commercialization-stage and various clinical-stage drug candidates, each of them being the leading contender within its respective competitive landscape. As of the date of this report, we have one product at commercialization stage and 12 drug candidates with more than 30 clinical trials underway in China and globally.

To accelerate the efficiency of our research and development, we have established a fully-integrated platform encompassing all of the key functions in the innovative drug development. These include target validation, lead molecule discovery and optimization, preclinical evaluation, process development, translational research, clinical development and manufacturing. This integrated platform has enabled us to rapidly and cost-effectively identify, build, expand and advance our diversified pipeline of differentiated innovative therapies, including monoclonal antibodies, bispecific antibodies, antibody drug conjugates (ADCs) and oligonucleotide drugs. At the same time, we have established and are continuously refining our commercial capabilities, to support the market launch of our first commercial product, Kangyueda (康悦达®).

Product Pipeline

Our proprietary product pipelines integrate cutting-edge scientific discoveries and reflect our market insight. To complement our in-house R&D efforts, we also collaborate with third parties on the development and commercialization of our drug candidates through joint ventures or out-licensing arrangements.

The following chart illustrates our pipeline launched and under development and summarizes the development status of our clinical-stage drug candidates and selected IND-enabling stage drug candidates as of the end of the Reporting Period and up to the date of this report:



Management Discussion and Analysis

	Pre-Clinical	IND	Ph-I	Ph-II	Ph-III	NDA	Launched	Partner	Keymed Rights
Oncology		2L+ CLDN18.2+ GC/ AEG	FTD & ODD granted by FDA / BTD granted by CDE						
	CMG901 Claudin 18.2 (ADC) ★	1L CLDN18.2+ HER2- GC/ AEG /EAC (Combinations)						AstraZeneca	
		perioperative treatment of AEG (Combinations)							
		CLDN18.2+ solid tumours							
	CM336 BCMAxCD3 (Bispecific)	RRMM						GILEAD DUORO	Greater China
	CM518D1 CDH17 (ADC)	Solid tumors							Global
	CM313 CD38 (mAb)	RRMM						TIMBERLYNE THERAPEUTICS	Greater China
	CM355 CD20xCD3 (Bispecific)	Lymphoma						Prellium	Asia: Tiannuo Pharma
	CM350 GPC3xCD3 (Bispecific)	Solid tumors							Global
	CM369 CCR8 (mAb)	Tumors						INNOCARE	Global

Abbreviations: ADC=antibody drug conjugate; CDE=Center for Drug Evaluation of the NMPA; FDA=Food and Drug Administration of the United States

BUSINESS REVIEW

• Kangyueda (康悦達®) (Stapokibart) (CM310) (IL-4R α antibody)

Kangyueda (康悦達®), our core product as defined under Chapter 18A of the Listing Rules, is a humanized and highly potent antibody against interleukin-4 receptor α -subunit (IL-4R α). It is the first domestically-developed IL-4R α antibody that received new drug application approval from the NMPA and is also the world's first IL-4R α antibody approved for the treatment of SAR indications. By targeting IL-4R α , Kangyueda (康悦達®) can lead to dual-blockade of interleukin-4 (IL-4) and interleukin-13 (IL-13) signaling. IL-4 and IL-13 are two critical cytokines for initiating type 2 inflammation.

As of the date of this report, the new drug applications of Kangyueda (康悦達®) for the treatment of moderate-to-severe AD in adults, CRSwNP and SAR have been approved by the NMPA. Since January 2026, all launched indications of Kangyueda (康悦達®) and both of its packaging forms (vials and pre-filled auto-injector pens) have been included in the National Reimbursement Drug List of China, significantly enhancing affordability and accessibility for Chinese patients.

During the Reporting Period, revenue for sales of Kangyueda (康悦達®) amounted to approximately RMB315 million, representing an increase of 775% from the sales revenue of RMB36 million for the year ended December 31, 2024.

Management Discussion and Analysis

On April 4, 2025, the team led by Professor Luo ZHANG (張羅) from Beijing Tongren Hospital, Capital Medical University published a breakthrough research result titled “Stapokibart for moderate-to-severe seasonal allergic rhinitis: a randomized phase 3 trial” in *Nature Medicine*, a top international journal. This is the first research result reported globally based on IL-4R α -targeted biologics for the treatment of seasonal allergic rhinitis (SAR), and also represents a groundbreaking new achievement by Chinese scientists in the field of allergic rhinitis. This study found that for patients with moderate-to-severe SAR who remained uncontrolled after receiving conventional treatment, the novel biologic Stapokibart can significantly improve their clinical symptoms and quality of life. The study results indicated that 72% of patients cumulatively achieved nasal ventilation within 7 days; 86% and 94% of patients cumulatively achieved nasal ventilation within 2 weeks and 4 weeks, respectively. After 4 days of treatment, the daily retrospective nasal symptoms score (rTNSS) of patients in the Stapokibart group decreased by 2.7 points from baseline, of which improvement was significantly better than that of the placebo group; after 2 weeks of treatment, the daily rTNSS of patients decreased by 3.6 points from baseline, significantly lower by 1.3 points compared to the placebo group, with 62% of patients cumulatively achieving mild or no nasal symptoms (rTNSS of each symptom is ≤ 1 point); after 4 weeks of treatment, the daily rTNSS of patients decreased by 4.9 points from baseline, significantly lower by 1.7 points compared to the placebo group, with 84% of patients cumulatively achieving mild or no nasal symptoms. After 2 weeks and 4 weeks of treatment, the daily retrospective total ocular symptom score (rTOSS) in the Stapokibart group decreased by 2.6 points and 3.7 points from baseline, respectively, both significantly better than the placebo group, with 62% and 94% of patients cumulatively achieving mild or no ocular symptoms (rTOSS of each symptom is ≤ 1 point), respectively.

In September 2025, Phase III clinical data for Stapokibart in adolescents with AD were presented at the 34th European Academy of Dermatology and Venereology (EADV) Congress. The Phase III study enrolled a total of 180 adolescent patients aged 12 years or older but younger than 18 years, who were randomized in a 2:1 ratio to the Stapokibart group (n=120) or the placebo group (n=60). The double-blind treatment period was 18 weeks, and the dosing regimen was determined based on patient weight. The two primary endpoints were set by achieving an improvement of $\geq 75\%$ from baseline in the Eczema Area and Severity Index (EASI) score at Week 18 (EASI-75), and an Investigator Global Assessment (IGA) score of 0 or 1 with a reduction of ≥ 2 points from baseline (IGA response).

The Phase III study has found that Stapokibart can also achieve potent improvement in skin lesions and relief of pruritus in adolescent patients with moderate-to-severe AD. The study results indicated that, at Week 18 of treatment, up to 73.9% of patients achieved an EASI-75 response, significantly higher than the placebo group (43.3%, $P < 0.0001$). Up to 57.1% of patients achieved IGA response, significantly superior to the placebo group (25.0%, $P < 0.0001$). In addition, the PP-NRS of patients in the Stapokibart group improved by up to 49.5% from baseline. In terms of safety, the incidence rates of treatment-related adverse events (TEAEs) in the Stapokibart group and the placebo group were comparable, and most were mild to moderate in severity. The most common adverse event was upper respiratory tract infection. No adverse events of conjunctivitis were observed in the study.

In January 2026, the new drug application for Stapokibart for the treatment of adolescents with moderate-to-severe AD was accepted by the NMPA.

As of the date of this report, we are advancing a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart in child subjects with moderate-to-severe AD, and patient enrollment is in progress. Additionally, we continued to proceed with a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of Stapokibart injection in subjects with prurigo nodularis (PN) in 2025. At the end of March 2026, the new drug application for Stapokibart for the treatment of PN was accepted by the NMPA.

Management Discussion and Analysis

- **CMG901/AZD0901 (Sonesitatur vedotin, Claudin 18.2 ADC)**

CMG901/AZD0901 is a Claudin 18.2-targeting ADC comprising a Claudin 18.2-specific antibody, a cleavable linker and a toxic payload, monomethyl auristatin E (MMAE). It is the first Claudin 18.2 ADC to have received IND approval in China and the U.S.. Previously, CMG901/AZD0901 was granted the Fast Track Designation and the Orphan Drug Designation by the FDA for the treatment of relapsed/refractory gastric cancer and GEJ adenocarcinoma, and was granted breakthrough therapy designation by the China CDE for the treatment of Claudin 18.2-positive advanced gastric cancer that has failed or cannot be tolerated by first-line treatment or above.

In February 2023, AstraZeneca AB (“AstraZeneca”, AZ) was granted an exclusive global license for research, development, registration, manufacturing, and commercialization of CMG901/AZD0901. As of the date of this report, AZ has conducted multiple clinical studies regarding CMG901/AZD0901 for treatments of advanced solid tumors, of which the indications include gastric cancer, pancreatic cancer and biliary tract cancer (for the same indication, only the highest clinical phase trial is listed):

- ① A multicenter, open-label, sponsor-blind, randomized Phase III clinical study (CLARITY Gastric 01) comparing CMG901/AZD0901 monotherapy versus investigator’s choice in adult subjects with Claudin18.2-expressing advanced or metastatic gastric cancer or gastroesophageal junction adenocarcinoma who previously have received second-line or later-line treatment.
- ② A multicenter, randomized, controlled, Phase III clinical study (CLARITY-Gastric 02) of CMG901/AZD0901 in combination with Capecitabine, with or without Rilvegostomig, as first-line treatment for Claudin18.2-positive, HER2-negative advanced or metastatic gastric cancer, gastroesophageal junction cancer, or esophageal adenocarcinoma. In February 2026, the first subject was dosed in this clinical trial, triggering a milestone payment subject to the terms and conditions of the license agreement. In early March 2026, KYM Biosciences Inc. (a 70% non-wholly-owned subsidiary of the Group) received the relevant milestone payment totaling US\$45 million.
- ③ AZ initiated an open-label, multi-drug, multi-center Phase II study in the second half of 2025 to evaluate the safety, tolerability, pharmacokinetics, and preliminary anti-tumor activity of novel drugs or combination regimens as perioperative treatment in subjects with locally advanced resectable gastroesophageal adenocarcinoma (GEMINI PeriOp GC).
- ④ A Phase II, open-label, multicenter clinical study (CLARITY PanTumour01) to evaluate the safety, tolerability, efficacy, pharmacokinetics, and immunogenicity of CMG901/AZD0901 as monotherapy and in combination with anti-tumor drugs in subjects with Claudin 18.2-expressing advanced solid tumors (including gastric cancer/gastroesophageal junction adenocarcinoma, pancreatic cancer and biliary tract cancer).

Management Discussion and Analysis

- **CM512 (TSLP x IL-13 bispecific antibody)**

CM512 is a recombinant anti-thymic stromal lymphopoietin (TSLP) and anti-interleukin-13 (IL-13) bispecific antibody and the world's first IgG-like long-acting dual blocker targeting TSLPxIL-13. Mechanism of action and *in vitro* drug efficacy studies have shown that CM512 has high affinity for TSLP and IL-13, blocking the binding of TSLP to thymic stromal lymphopoietin receptor (TSLPR), and blocking the binding of IL-13 to IL-13R α 1/IL-4R α complex, and synergistically inhibiting the downstream signaling pathways and effector cell activation induced by TSLP and IL-13. *In vivo* efficacy tests have shown that CM512 can effectively inhibit allergic inflammatory responses. In addition, CM512 is characterized by low immunogenicity and long half-life, which is expected to achieve better therapeutic efficacy in the clinical setting compared to the existing therapies and further improve patient compliance.

CM512-100001 is a single/multiple dose-escalation, Phase I clinical study in healthy subjects and adult patients with moderate-to-severe AD to evaluate the safety, tolerability, PK (pharmacokinetics), PD (pharmacodynamics), and immunogenicity of CM512, and to preliminarily explore its efficacy in patients with moderate-to-severe AD. Approximately 40 healthy subjects were enrolled in the single dose-escalation phase. A total of 70 subjects were enrolled in the multiple dose-escalation phase, including 24 healthy subjects and 46 patients with moderate-to-severe AD.

In November 2025, the clinical trial met all research endpoints. The results showed:

In healthy subjects, single dose administrations of CM512 ranging from 150mg to 1,200mg and multiple dose administrations of 150mg Q2W and 600mg Q2W had good safety and tolerability. No treatment-emergent adverse events (TEAEs) meeting the criteria for dose-escalation termination occurred during the dose-escalation period, and no serious adverse events (SAEs) were reported. In patients with moderate-to-severe AD, the CM512 300mg Q2W and 600mg Q2W groups demonstrated a good safety and tolerability profile, with the overall incidence of TEAEs and SAEs being comparable to the placebo group. Most of the TEAEs reported during the study were Grade 1 or 2, with no TEAEs leading to delayed dosing, early termination of treatment, early withdrawal from the study, or death reported.

After single dose administration in healthy subjects, within the dose range of 150 to 1,200 mg, the systemic exposure increased proportionally with the dose, demonstrating basically linear pharmacokinetic characteristics, and the half-life could reach 70 days. After multiple dose administration in healthy subjects, the mean plasma concentrations at the last dose in the 150 mg Q2W group and the 600 mg Q2W group were both higher than those at the first dose, and the systemic exposure of CM512 after the first and last doses basically multiplied proportionally with the dose. The PK characteristics of CM512 were similar in healthy subjects and patients with moderate-to-severe atopic dermatitis.

After single or multiple dose administration of CM512, various type II inflammation biomarkers in AD patients significantly decreased from baseline. Both serum free TSLP and free IL-13 rapidly declined and remained below the lower limit of detection. Multiple inflammation-related factors, including blood eosinophil count, serum IgE, serum TARC, IL-5, Eotaxin-3, chemokine 13, and chemokine 26, all showed significant decreases from baseline and were maintained at low levels during the study period.

Management Discussion and Analysis

CM512 demonstrated rapid disease control in patients with moderate-to-severe AD. At Week 6 after the first dose, 50% of patients in the 300mg group (the proposed recommended clinical dose) achieved EASI-75 (Eczema Area and Severity Index score reduction of $\geq 75\%$ from baseline), compared to only 7% in the placebo group. At Week 12, the EASI-75 and EASI-90 (Eczema Area and Severity Index score reduction of $\geq 90\%$ from baseline) response rates in the 300mg dose group reached 58.3% and 41.7%, respectively, compared to 21.4% and 0% in the placebo group. At Week 24, various indicators showed stable responses, and were all significantly superior to the placebo group.

We successively initiated and proceeded with multiple Phase II clinical studies for CM512 in 2025 with indications covering CRSwNP, moderate-to-severe AD in adults, moderate-to-severe asthma, moderate-to-severe COPD, and chronic spontaneous urticaria. As of the date of this report, a randomized, double-blinded, placebo-parallel Phase II clinical study to evaluate the safety and efficacy of CM512 injection in subjects with CRSwNP has completed the enrollment of 120 targeted subjects. Other Phase II clinical studies are in the patient enrollment phase.

In July 2024, Chengdu Keymed entered into a license agreement with Belenos Biosciences, Inc. The license agreement granted Belenos the exclusive rights to develop, manufacture, and commercialize the Group's drug candidates CM512 (TSLP/IL-13 bispecific antibody) and CM536 (OX40L/IL-13 bispecific antibody) globally (excluding the Greater China region). In the first half of 2025, Belenos conducted a Phase I/II clinical trial in the U.S. to evaluate the safety and efficacy of CM512 in healthy subjects and asthma patients. As of the date of this report, this clinical study is currently in the asthma patient enrollment phase.

- **CM518D1 (CDH17 ADC)**

CM518D1 is an innovative antibody drug conjugate (ADC) drug independently developed based on an ADC discovery platform that is formed by a novel sequence of recombinant humanized anti-cadherin 17 (CDH17) monoclonal antibody coupled with a novel cleavable linker – proprietary topoisomerase I inhibitor, to be administered by intravenous infusion for subjects with advanced solid tumors without standard treatment or with standard treatment failure. CDH17 membrane protein localization is well-defined: located on the cell surface, readily recognized, bound and endocytosed by antibodies. CDH17 exhibits high specificity: it is highly expressed in various solid tumors such as colorectal cancer, gastric cancer and pancreatic cancer, while showing high expression in normal tissues, resulting in minimal off-target toxicity. CM518D1 achieves tumor cell killing by targeting CDH17, which has the potential advantages of good anti-tumor efficacy and large safety window.

We initiated a multi-center, open-label Phase I/II clinical trial to evaluate CM518D1 for the treatment of patients with advanced solid tumors in June 2025. As of the date of this report, this study is in the dose-escalation phase and dose-expansion phase of Phase I clinical trial.

Management Discussion and Analysis

- **CM336 (BCMA x CD3 bispecific antibody)**

CM336 is a BCMA x CD3 bispecific antibody that can simultaneously target and identify and specifically bind both BCMA on the surface of target cells and the CD3 receptors on the surface of T cells to recruit immune T cells to the vicinity of the target cells, thereby inducing T-cell dependent cellular cytotoxicity (TDCC) to eliminate the target cells. In 2025, we continuously proceeded with a multi-center, open-label Phase I/II clinical study to assess CM336 injection for the treatment of patients with relapsed or refractory multiple myeloma (RRMM). As of July 2025, in the Phase II dose-expansion stage, only 4.7% of subjects experienced Grade 2 cytokine release syndrome (CRS) events, with no immune effector cell-associated neurotoxicity syndrome (ICANS) events occurring. The objective response rate (ORR) in the target dose group was 95.2%, the rate of complete response (CR) or better was 76.2%, the minimal residual disease (MRD) negativity rate was 100%, and the 12-month progression-free survival rate was 95.2%. Concurrently, in the second half of 2025, we initiated a randomized, open-label, multicenter Phase III clinical study to evaluate CM336 monotherapy versus investigator's choice (standard of care, SOC) in RRMM patients who previously have received at least second-line treatment. As of the date of this report, this study is in the patient enrollment phase.

Furthermore, we conducted an open-label, multi-center Phase II clinical study to evaluate the efficacy and safety of CM336 injection for the treatment of relapsed or refractory primary light-chain amyloidosis in 2025, and this study is currently in the patient enrollment phase.

Based on the clinical effects observed in multiple myeloma indications, we believe that CM336 could represent a promising new therapeutic option for autoimmune diseases by eliminating plasma cells that secrete pathogenic antibodies. On June 11, 2025, the team led by Professor Jun SHI (施均) from the Institute of Hematology and Blood Diseases Hospital, Chinese Academy of Medical Sciences (Institute of Hematology, Chinese Academy of Medical Sciences) published research results titled "BCMA-Targeted T-Cell Engager for Autoimmune Hemolytic Anemia after CD19 CAR T-Cell Therapy" online in the *New England Journal of Medicine* (IF=96.3). This study first reported the successful salvage treatment with CM336 of 2 patients with autoimmune hemolytic anemia (AIHA) who relapsed after autologous CD19 CAR-T cell therapy and failed multiple lines of treatment. In this study, the 2 AIHA patients had received multiple therapies including glucocorticoids, splenectomy, anti-CD20 antibodies, BTK inhibitors, and CD19 CAR-T cell therapies before receiving CM336 treatment, but their disease still eventually recurred or progressed to refractory status.

The study results showed that hemolysis improved significantly in 2 patients after receiving CM336 treatment: Patient 1 achieved partial response on day 13 and hemoglobin levels returned to normal on day 17; Patient 2 achieved partial response on day 19 and complete response on day 21, without receiving any other drug treatment during the treatment period. Hemolysis indicators (reticulocyte percentage, lactate dehydrogenase, indirect bilirubin) in both patients significantly decreased and were maintained in continuous treatment-free remission during 6-month follow-up. Adverse reactions were only observed as Grade 1 skin induration and hypogammaglobulinemia, and no other serious adverse reactions were observed. No cytokine release syndrome (CRS), immune effector cell-associated neurotoxicity syndrome (ICANS) or infection events occurred, with overall good safety.

In the second half of 2025, we also initiated a Phase I/II clinical study to evaluate the safety and efficacy of CM336 injection for the treatment of subjects with relapsed or refractory autoimmune cytopenias. In November 2025, the first subject was enrolled. As of the date of this report, patient enrollment is underway for this study.

Management Discussion and Analysis

In November 2024, Chengdu Keymed and Ouro Medicines Ltd (formerly known as Platina Medicines Ltd) entered into an exclusive license agreement. The license agreement granted Ouro Medicines Ltd the exclusive right to develop, manufacture and commercialize CM336/OM336 globally excluding Mainland China, Hong Kong, Macau and Taiwan. Currently, Ouro Medicines is conducting an open-label, multinational basket study in the United States and Australia to evaluate the efficacy of CM336/OM336 in adult patients with autoimmune cytopenias. Enrolled patients include those with relapsed or refractory autoimmune hemolytic anemia (AIHA), primary immune thrombocytopenia (ITP), or patients with both conditions. As of the date of this report, dosing for the first cohort of patients has been completed, and recruitment for subsequent cohorts is actively progressing. On January 23, 2026, CM336/OM336 was granted Fast Track Designation (FTD) by the FDA for the treatment of AIHA and ITP. In addition, Ouro Medicines is advancing another open-label, multinational basket study to evaluate the therapeutic potential of CM336/OM336 in adult patients with active, autoantibody-positive, relapsed or refractory Sjögren's syndrome or idiopathic inflammatory myopathy.

On March 23, 2026, our partner, Ouro Medicines, entered into a merger agreement with Gilead Sciences (NASDAQ: GILD). Gilead Sciences will acquire Ouro Medicines by way of a merger, with a transaction amount including an upfront payment of US\$1,675 million and a milestone payment of up to US\$500 million, bringing a maximum total transaction of US\$2,175 million. The Company, through iBridge HK, also disposed of its approximately 15% minority interest in Ouro Medicines as part of its merger agreement with Gilead Sciences, Inc. We will receive an initial payment of approximately US\$250 million after completion of the transaction, as well as a milestone payment of up to approximately US\$70 million, bringing the total revenue amount to up to approximately US\$320 million. Simultaneously, our milestone payments and tiered royalties on net sales of up to US\$610 million for CM336/OM336 will continue to be fulfilled by Gilead. After completion of the transaction, we will no longer hold equity interest in Ouro Medicines. As of the date of this report, this transaction has not yet closed. For further details, please refer to the Company's announcement dated March 24, 2026 and supplementary announcement dated April 15, 2026.

- **CM313 (CD38 antibody)**

CM313 is a humanized monoclonal antibody that targets CD38. It can induce target cell apoptosis through antibody-dependent cell-mediated cytotoxicity (ADCC), complement-dependent cytotoxicity (CDC), and antibody-dependent cell-mediated phagocytosis (ADCP), as well as under Fc cross-linking conditions. Given the observed outstanding clearance effect of CM313 on plasma cells in multiple myeloma (MM), we believe that CM313 may bring new breakthroughs in the field of autoimmune disease treatment.

In 2025, we completed a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, immunogenicity, and preliminary efficacy of CM313 (subcutaneous formulation, SC) injection in subjects with primary immune thrombocytopenia. Additionally, we initiated a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the safety and efficacy of CM313 (SC) injection in subjects with IgA nephropathy in 2025. As of the date of this report, this study is in the patient enrollment phase.

Management Discussion and Analysis

In January 2025, Chengdu Keymed entered into an exclusive out-license agreement with Timberlyne Therapeutics, Inc. (“Timberlyne”). The license agreement granted Timberlyne the exclusive right to develop, manufacture and commercialize CM313 globally (excluding Mainland China, Hong Kong, Macau and Taiwan). Subject to terms and conditions of the license agreement, Timberlyne was granted an exclusive license for the development, manufacturing and commercialization of CM313 in the licensed region. In return, the Group shall be entitled to receive an upfront and near-term payment of US\$30 million and equity interest of Timberlyne, being its largest shareholder. The Group might also receive additional payments up to US\$337.5 million subject to achievement of certain sales and development milestones. The Group was also entitled to receive tiered royalties on net sales from Timberlyne. For further details, please refer to the Company’s announcement dated January 10, 2025.

- **CM383 (A β protofibrils antibody)**

CM383 is a humanized monoclonal antibody for the treatment of early Alzheimer’s Disease. The amyloid cascade hypothesis postulates that excessive β -amyloid protein (A β) in the brain is a trigger of Alzheimer’s Disease. In addition, A β protofibrils are considered to be more toxic which are associated with the Alzheimer’s Disease progression in patients. CM383 selectively binds to soluble A β protofibrils and plaque. On one hand, CM383 reduces the deposition of A β . On the other hand, CM383 promotes the clearance of A β plaque.

Preclinical studies indicated that CM383 demonstrated a favorable safety profile. In 2025, we continuously proceeded with a randomized, double-blinded, placebo-controlled Phase Ib clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics and immunogenicity of multiple dose-escalation administration of CM383 in patients with mild cognitive impairment due to Alzheimer’s Disease and mild Alzheimer’s Disease. In December 2025, this study has completed the patient enrollment.

- **CM559 (N3pG A β antibody)**

CM559 is also a humanized monoclonal antibody for the treatment of early Alzheimer’s Disease. By specifically recognizing and binding to the N-terminal pyroglutamate-modified A β at position 3 in the brains of patients with Alzheimer’s Disease, it efficiently clears formed amyloid plaques in the brains, thereby delaying disease progression. In 2025, we initiated a randomized, double-blinded, placebo-controlled Phase I clinical study to evaluate the safety, tolerability, pharmacokinetics, pharmacodynamics, and immunogenicity of single dose-escalation administration of CM559 in healthy male subjects. The study is expected to enroll 40 subjects, and the first subject enrollment was completed in September 2025.

- **CM350 (GPC3 x CD3 bispecific antibody)**

CM350 is a GPC3 x CD3 bispecific antibody for the treatment of solid tumors, especially for hepatocellular carcinoma (HCC). CM350 can simultaneously bind GPC3-positive tumor cells and T cells, thereby activating T cells to eliminate tumor cells.

In 2025, we continuously proceeded with a Phase I/II clinical study to assess the safety, tolerability, pharmacokinetics, and preliminary efficacy of CM350 in patients with advanced solid tumors. As of the date of this report, the product is currently in the dose-escalation phase of Phase I/II clinical study.

Management Discussion and Analysis

- **CM326 (TSLP antibody)**

CM326 is a recombinant humanized monoclonal antibody targeting anti-thymic stromal lymphopoietin (TSLP). TSLP plays a critical role as an upstream cytokine mediating multiple inflammatory pathways. CM326 can effectively inhibit TSLP-induced proliferation of immune cells and inflammatory factor release, and is expected to be a new option for the treatment of chronic obstructive pulmonary disease (COPD) and moderate-to-severe asthma.

JMT-Bio, a wholly-owned subsidiary of CSPC, was granted the exclusive rights to develop, commercialize and manufacture CM326 in China (excluding Hong Kong, Macau, and Taiwan) for all diseases. As of the date of this report, CSPC is continuously advancing multiple indications for CM326, all of which are currently in the patient enrollment phase, including: ① a randomized, double-blinded, placebo-controlled Phase III clinical study to evaluate the efficacy and safety of CM326 in subjects with moderate-to-severe asthma, which completed the first subject enrollment in March 2026; ② a multi-center, randomized, double-blinded, placebo-parallel Phase III clinical trial to evaluate the efficacy and safety of CM326 in patients with chronic rhinosinusitis with nasal polyps, which was initiated in February 2026; ③ a randomized, double-blinded, placebo-controlled Phase II clinical study to evaluate the efficacy and safety of CM326 in subjects with moderate-to-very severe COPD, which completed the first subject enrollment in December 2025; ④ a Phase I study to evaluate the pharmacokinetics, safety, tolerability and immunogenicity of single subcutaneous administration of CM326 in adolescent subjects with asthma, which was initiated in June 2025.

- **CM355/ICP-B02/PRO-203 (CD20 x CD3 bispecific antibody)**

CM355 is a CD20 x CD3 bispecific antibody co-developed by us and InnoCare. CM355 is designed to bind both CD20 on tumor cells and CD3 on T-cells, redirecting and activating T-cells to eliminate tumor cells through T-cell-dependent cellular cytotoxicity (TDCC). This bispecific antibody has demonstrated strong potential in both oncology and non-oncology fields. In 2025, we continuously proceeded with the clinical development of relapsed/refractory B-cell non-Hodgkin's lymphoma (r/r B-NHL) in this project, among patients reaching the therapeutic dose level, the overall response rate (ORR) was 82%, and the complete response (CR) rate was 59%. As of the date of this report, Prolium announced the initiation of dosing in healthy subjects in a single dose-escalation study of CM355/PRO-203, and expects to initiate an international multi-center Phase I/II clinical study for the treatment of systemic sclerosis (SSc) in the second quarter of 2026, and will also initiate therapeutic studies for other B-cell-driven severe autoimmune diseases within 2026. Additionally, in an investigator-initiated exploratory study, 5 patients with refractory advanced systemic lupus erythematosus (SLE) (all accompanied by lupus nephritis) are undergoing treatment evaluation.

In January 2025, Chengdu Keymed, InnoCare and Beijing Tiannuojiancheng Pharma Tech Co., Ltd. (北京天諾健成醫藥科技有限公司) ("Tiannuo Pharma") have entered into an exclusive out-license agreement with Prolium Biosciences, Inc. ("Prolium") for the development and commercialization of CM355. Under the terms of the license agreement, Prolium would have the exclusive right to develop, register, manufacture, and commercialize CM355 globally in non-oncology indications and in oncology indications outside of Asia. Prolium, a company incorporated in Delaware, the United States, on August 21, 2024, is founded and backed by RTW Investments. Payment under the license agreement would be shared equally between Chengdu Keymed and InnoCare. Chengdu Keymed and InnoCare would collectively be entitled to receive an upfront and near-term payment of US\$17.5 million, additional payments up to US\$502.5 million and tiered royalties on net sales from Prolium based on their respective 50% interest in Tiannuo Pharma. The payments would be subject to the achievement of certain commercial, clinical development and regulatory milestones. The Group and InnoCare Pharma Limited (諾誠健華醫藥有限公司)'s group would also receive a minority equity stake in Prolium. For further details, please refer to the Company's announcement dated January 20, 2025.

Management Discussion and Analysis

- **CM369/ICP-B05 (CCR8 antibody)**

CM369 is an anti-C-C motif chemokine receptor 8 (CCR8) monoclonal antibody, a potential first-in-class drug co-developed by the Company and InnoCare as a monotherapy or in combination with other therapies for the treatment of various cancers. Research has found that CM369, as a chemokine receptor highly expressed specifically on tumor-infiltrating regulatory T cells (Treg), binds to CCR8 positive Tregs and eradicates immunosuppressive Tregs through antibody-dependent cell-mediated cytotoxicity (ADCC) to augment the anti-tumor immunity in tumor microenvironment (TME) while preserving peripheral homeostasis. CM369 has the potential to deliver optimal tumor-targeted Treg depletion and be more specific in anti-tumor activity than other immunotherapies and enhance our strength in the field of solid tumors by synergizing with our existing pipelines.

As of the date of this report, the Phase I dose-escalation trial of CM369 in patients with advanced solid tumors and r/r NHL is ongoing. Early data showed that some patients achieved partial response (PR) with high progression-free survival (PFS) rate, supporting continued clinical evaluation and future exploration of combination therapy regimens in various cancer indications.

Cautionary Statement required by Rule 18A.08(3) of the Listing Rules: The Company may not be able to ultimately develop and market CM310, CMG901, CM512, CM518D1, CM336, CM313, CM383, CM559, CM350, CM326, CM355, CM369 or any other product candidates successfully. As of the date of this report, no material adverse changes had occurred with respect to the regulatory approvals we had received in relation to our drug candidates.

OUR R&D AND MANUFACTURING

Leveraging our deep understanding of disease areas and related drug targets, we are able to accurately analyze the pain points in unmet clinical needs. Combined with the various innovative R&D platforms we have established with independent intellectual property rights, we select the optimal molecular modalities and strive to become the best-in-class therapies in the field, with a view to truly resolving illness and benefiting patients worldwide.

R&D PLATFORMS

We have built fully-integrated platforms to enable our in-depth R&D in the areas of immunology and oncology. Our platforms are integrated seamlessly to support key drug development functionalities, including antibody screening, small molecule lead compound discovery, antibody conjugation, functional evaluation, *in vivo* preclinical studies and biomarker identification. We have the expertise and capability to independently complete the entire drug development process from drug discovery to preclinical research to clinical development and to NDA/BLA application. Our core platforms are as follows:

- **Antibodies Discovery Platform**

An innovative antibody discovery platform is utilized for the identification and evaluation of antibody drug candidates. By integrating hybridoma technology, phage display library technology, and the latest artificial intelligence approaches such as machine learning, the platform enables high-throughput antibody screening, activity evaluation, developability assessment, and molecular engineering and optimization. This platform can rapidly screen candidate antibodies with high specificity and high affinity. The core strengths are its integrated R&D process and independent innovation capability, which can accelerate the development and translation of antibody drugs to address significant unmet clinical needs.

Management Discussion and Analysis

- **KeyMedSTAR™ (Keymed Superior Topo1i ADC Reagents) ADC Platform**

We are dedicated to building a novel Antibody-Drug Conjugate (ADC) platform with comprehensive, full-spectrum R&D capabilities. The platform is based on first-in-class target discovery and develops various highly specific antibody formats, including bispecific antibodies. These are precisely conjugated via our proprietary linker-payload system. We utilize AI/computer-aided drug design to optimize payload activity and safety, and our self-developed topoisomerase I inhibitor-based payloads and linkers already demonstrate excellent performance and possess independent intellectual property rights.

The platform employs a controlled site-specific conjugation process to achieve high homogeneity and robust DAR control. It is supported by our proprietary GMP manufacturing facility, which can sustain the entire workflow from candidate molecule screening through to drug supply for Phase I/II clinical trials, thereby efficiently advancing the development and translation of innovative ADC therapeutics.

- **TCE Bispecific Antibodies Platform**

The TCE Bispecific Antibodies Platform focuses on tumors and autoimmune diseases, aiming to achieve profound depletion of pathogenic cells through precisely targeted design. The platform features strong technological innovation. Its core pipelines demonstrate outstanding clinical efficacy. Pipelines have shown potential for high response rates (ORR>90%) and durable clinical remission, with related research findings published in authoritative academic journals. Leveraging high-specificity binding and a highly effective mechanism of action, the platform possesses versatile potential for expansion, offering innovative solutions for relevant therapeutic areas.

- **VESIR™ (VEhicle for siRNA Delivery) Oligonucleotide Platform**

We have established an integrated oligonucleotide platform with independent intellectual property rights, covering the entire spectrum from drug design and efficient delivery to process development, thereby accelerating the R&D and translation of next-generation targeted therapeutics. The oligonucleotide platform includes AI-based siRNA design, high-throughput synthesis and screening, and proprietary chemical modifications, such as 5' cap analog modification, siRNA fine-tuning modification strategies and seed region modification to reduce off-target activity, which can significantly enhance stability and minimize off-target effects. The VESIR™ platform supports both hepatic and extrahepatic delivery. Leveraging our proprietary GalNAc-based hepatic delivery system and the modular extrahepatic delivery platform XOC, it enables tissue-specific drug delivery.

- **Small Molecule Platform**

We are dedicated to developing PROTAC molecules with novel chemical structures and potent degradation activity, targeting multiple undruggable proteins. By combining novel E3 ligase binders, linkers, and POI (Protein of Interest) ligands, we aim to identify candidate molecules with high efficiency, good stability, favorable pharmacokinetic properties, and promising bioavailability, thereby advancing innovative therapeutic approaches.

Management Discussion and Analysis

- **KeyCND™ (Keymed Central Nervous System Delivery) – Blood-Brain Barrier-Penetrating Antibody Delivery Platform**

Aimed at addressing neurological disorders such as Alzheimer's disease, this platform is dedicated to developing macromolecular delivery systems capable of efficiently crossing the blood-brain barrier (BBB). Utilizing proprietary technologies, such as BBB-XOC, it enables targeted delivery of antibodies, nucleic acids, small molecules, and other drugs to the central nervous system, providing novel pathways for the treatment of neurological diseases.

MANUFACTURING CAPABILITIES

To ensure production and supply of high-quality and affordable antibody drugs, we have always been committed to enhancing our in-house manufacturing capabilities. We have internally developed high-expressing cell lines to ensure high yield and low costs for our antibody drugs manufacturing. As of the date of this report, the production base in Chengdu has 3 pilot production lines and 3 commercial production lines, with a total production capacity of 21,800 litres. The stainless steel production lines with an additional production capacity of 24,000 litres have completed installation and commissioning and will soon be put into use. All the designs thereof are in compliance with the requirements of cGMP of the NMPA and FDA.

FUTURE DEVELOPMENT

We will continue to focus on our core strategy and make every effort to advance the commercialization of Kangyueda (康悦達®), and rapidly advance both ongoing and planned clinical programs for our pipeline products both in China and globally, including in the U.S.. In the meantime, to expedite the commercialization of our drug candidates and maximize the commercial value, we will actively explore value-accretive strategic partnerships such as co-development, collaboration, and licensing both in China and globally.

In anticipation of increased production demands for our drug candidates, we plan to further expand our cGMP-compliant manufacturing capacity to improve the cost-effectiveness of our production. We are very pleased to see the rapid progress we achieved so far and the detailed development plan ahead of us. In line with our Company's vision, we are committed to developing, manufacturing and commercializing competitive innovative drugs for patients worldwide.

Management Discussion and Analysis

FINANCIAL REVIEW

	2025 RMB'000	2024 RMB'000
Revenue	716,313	428,124
Cost of sales	(88,048)	(12,200)
GROSS PROFIT	628,265	415,924
Other income and gains	159,224	141,154
Research and development expenses	(723,529)	(735,192)
Administrative expenses	(182,209)	(187,933)
Selling and distribution expenses	(321,987)	(110,897)
Other expenses	(62,905)	(7,987)
Finance costs	(16,908)	(18,460)
Share of loss of a joint venture	(674)	(5,256)
LOSS BEFORE TAX	(520,723)	(508,647)
Income tax expense	(1,874)	(6,260)
LOSS FOR THE YEAR	(522,597)	(514,907)
Attributable to:		
Owners of the parent	(522,641)	(515,241)
Non-controlling interests	44	334
	(522,597)	(514,907)

1. Revenue and Cost of Sales

During the Reporting Period, the Group's revenue consisted of collaboration revenue and sales of Kangyueda (康悦達®, Stapokibart). The collaboration revenue amounted to RMB402 million. The sales of Kangyueda (康悦達®) amounted to RMB315 million. Cost of sales consisted of manufacture costs of Kangyueda (康悦達®) and costs incurred under the out-licensing collaboration arrangements.

2. Other Income and Gains

During the Reporting Period, the Group's other income and gains primarily consisted of interest income of RMB67 million, government grants income of RMB52 million and fair value gain on financial assets at FVTPL of RMB31 million.

Management Discussion and Analysis

3. *R&D Expenses*

During the Reporting Period, the Group's R&D expenses primarily consisted of (i) expenses incurred in connection with pre-clinical and clinical studies, including third-party contracting costs with respect to the engagement of CROs, clinical trial sites and other service providers in connection with our R&D activities; (ii) staff costs for our R&D employees; (iii) expenses for procuring raw materials and consumables used in the R&D of our drug candidates; and (iv) depreciation and amortization of property, plant and equipment and other intangible assets related to R&D activities.

4. *Administrative Expenses*

During the Reporting Period, the Group's administrative expenses primarily consisted of (i) staff costs for our administrative employees; (ii) depreciation and amortization of property, plant and equipment and other intangible assets related to administrative activities; (iii) professional services fees paid to legal counsel, agents, auditor, and other professional service providers; and (iv) travelling expenses. For the year ended December 31, 2025, the administrative expenses of the Group decreased by RMB6 million to RMB182 million, from RMB188 million for the year ended December 31, 2024.

5. *Selling and Distribution Expenses*

During the Reporting Period, the Group's selling and distribution expenses primarily consisted of (i) staff costs for our commercialization function; (ii) expenditure for marketing and promotion activities; and (iii) travelling expenses. For the year ended December 31, 2025, the selling and distribution expenses of the Group increased by RMB211 million to RMB322 million, from RMB111 million for the year ended December 31, 2024. The increase was consistent with the increased sales of Kangyueda (康悦達®) during the Reporting Period.

6. *Other Expenses*

During the Reporting Period, the Group's other expenses primarily consisted of foreign exchange losses.

7. *Finance Costs*

During the Reporting Period, the Group's finance costs primarily consisted of interest expenses on bank borrowings of RMB19 million, netted off capitalized interests of RMB3 million.

Management Discussion and Analysis

8. Selected Data from Consolidated Statement of Financial Position

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
Total current assets	2,422,842	2,466,026
Total non-current assets	1,794,691	1,300,540
Total assets	4,217,533	3,766,566
Total current liabilities	836,294	747,726
Total non-current liabilities	606,316	543,628
Total liabilities	1,442,610	1,291,354
Net current assets	1,586,548	1,718,300

9. Liquidity and Capital Resources

As at December 31, 2025, our time deposits, cash and bank balances, restricted cash and bank wealth management products decreased by RMB193 million to RMB1,963 million from RMB2,156 million as at December 31, 2024. The decrease was primarily attributable to cash used in our daily business operation.

As at December 31, 2025, the current assets of the Group were RMB2,423 million, including cash and bank balances of RMB503 million, restricted cash of RMB40 million, time deposits of RMB1,100 million, bank wealth management products of RMB320 million and other current assets of RMB460 million. As at December 31, 2025, the current liabilities of the Group were RMB836 million, including trade payables of RMB28 million, other payables and accruals of RMB286 million, interest-bearing bank borrowings of RMB509 million, lease liabilities of RMB10 million and other current liabilities of RMB3 million. As at December 31, 2025, the Group had available unutilized bank loan facilities of RMB273 million.

For the year ended December 31, 2025, our net cash flows used in operating activities decreased by RMB78 million to RMB712 million from RMB790 million for the year ended December 31, 2024.

For the year ended December 31, 2025, our net cash flows from investing activities decreased by RMB29 million to RMB39 million from RMB68 million for the year ended December 31, 2024. The decrease was primarily attributable to the increase in investment in plant and equipment during the Reporting Period.

For the year ended December 31, 2025, our net cash flows from financing activities increased by RMB505 million to RMB789 million from RMB284 million for the year ended December 31, 2024. The increase was primarily attributable to proceeds received from placing of new Shares in June 2025.

Management Discussion and Analysis

As part of our treasury management, we invest in certain wealth management products to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We have implemented a series of internal control policies and rules setting forth overall principles as well as detailed approval process of our investment activities. Under our investment policy, we generally limit our purchases to low-risk, short-term products from reputable commercial banks which must not interfere with our daily operation and business prospects.

We recorded these investments as financial assets at FVTPL of RMB320 million as of December 31, 2025. We manage and evaluate the performance of these investments on a fair value basis in accordance with our risk management and investment strategy. Therefore, these investments in wealth management products were designated as financial assets at FVTPL as of December 31, 2025.

10. Gearing Ratio

The gearing ratio (calculated by total liabilities divided by total assets) of the Group as of December 31, 2025 was 34% (as of December 31, 2024: 34%).

11. Indebtedness

As at December 31, 2025, our interest-bearing bank borrowings amounted to RMB767 million (of which RMB344 million are borrowed at fixed interest rates) and unutilized credit facilities amounted to RMB273 million. The repayment terms of bank borrowings range from one to five years.

12. Significant Investments, Material Acquisitions and Disposals

The Group did not have material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025, and the Group also did not hold any significant investments as of December 31, 2025. The Group did not have plans for significant investments or capital assets as at the date of the report.

13. Contingent Liabilities

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

14. Capital Commitments

As of December 31, 2025, the Group had capital commitments contracted, but not yet provided, of RMB346 million, which were related to the purchase of property, plant and equipment for the manufacture plant.

Management Discussion and Analysis

15. Pledge of Assets

As of December 31, 2025, the Group pledged machinery equipment with costs of RMB441 million, construction in progress, buildings and land use right with a total net carrying amount of RMB352 million to secure its bank borrowings.

16. Foreign Exchange Exposure

During the Reporting Period, the Group mainly operated in China and a majority of its transactions were settled in Renminbi, the functional currency of the Company's primary subsidiaries. The Group's borrowings are made in Renminbi, while cash and cash equivalents are primarily held in Renminbi, Hong Kong dollars, U.S. dollars and Euros. The Group is exposed to foreign currency risk as a result of certain cash and bank balances, time deposits, and financial assets at FVTPL denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect the Group's results of operations. We currently do not have a foreign currency hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

HUMAN RESOURCES

As of December 31, 2025, we had 1,625 full-time employees in total, including 6 employees who were employed overseas and the remaining in Mainland China. In strict compliance with the relevant labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations and grounds for termination.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries and opportunities to participate in share incentive schemes to our employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employment relations and employee retention.

Our Company has adopted the 2021 RSU Scheme on April 5, 2021 (for further details, please refer to our Prospectus) and the 2022 RSU Scheme on January 21, 2022 (for further details, please refer to the Company's announcements dated January 21, 2022 and January 28, 2022). During the Reporting Period, restricted share units underlying 819,256 Shares and 0 Share had been awarded under the 2021 RSU Scheme and 2022 RSU Scheme, respectively.

FINANCING ACTIVITIES

In June 2025, the Company placed an aggregate of 19,000,000 new Shares at the placing price of HK\$45.48 per Share through a top-up subscription arrangement, details of which are set out in the announcements of the Company dated June 11, 2025 and June 19, 2025.

Directors and Senior Management

DIRECTORS

Executive Directors

Dr. Bo CHEN, aged 52, has been a Director since April 23, 2018 and was re-designated as an executive Director on April 3, 2021 and currently serves as the chairman of our Board and our chief executive officer. Dr. Chen has been serving as the chief executive officer of Chengdu Keymed since December 2016 and its chairman since December 2018. Dr. Chen is primarily responsible for the overall strategic planning, business direction and operational management of our Group.

Dr. Chen has extensive experience in the pharmaceutical industry. Dr. Chen founded Wuhan Huaxin Kangyuan Biopharma Co., Ltd. (武漢華鑫康源生物醫藥有限公司) in June 2011, a biopharmaceutical company focusing on development of monoclonal antibodies drugs. Subsequently, from January 2013 to March 2015, Dr. Chen served as the general manager and an executive director at Shanghai Junshi Biosciences Co., Ltd. ("**Junshi Bioscience**"), a dual listed company in Hong Kong (stock code: 1877) and Shanghai (stock code: 688180) and subsequently served as the chief scientist until December 2016, Dr. Chen remained as a director of Junshi Bioscience until March 2018.

Dr. Chen obtained his bachelor's degree in cell biology from Wuhan University (武漢大學) in the PRC in July 1996. Dr. Chen proceeded to obtain his PhD. in fertility and molecular biology from the Albert Einstein College of Medicine of Yeshiva University in United States in September 2003.

Dr. Changyu WANG, aged 61, has been a Director since March 3, 2021 and was re-designated as an executive Director on April 3, 2021. He is primarily responsible for directing and overseeing overall research and development management. Dr. Wang is the senior vice president of the Company and Chengdu Keymed.

Dr. Wang possesses more than 25 years of experience in research and development of biopharmaceuticals. From April 1998 to March 2001, he was a research scientist at Chiron Corporation. From April 2001 to August 2009, he was a senior scientist at Medarex, Inc., which was formerly listed on NASDAQ until acquisition by Bristol Myers Squibb, a company listed on the New York Stock Exchange (stock code: BMY). From September 2009 to December 2013, he was a senior scientist at Bristol-Myers Squibb. From January 2014 to February 2016, he was a director in cancer immunology at Pfizer Inc., a company listed on the New York Stock Exchange (stock code: PFE). Dr. Wang led the development of the world's first PD-1 immune checkpoint inhibitor, Nivolumab, which has been approved for commercialization in 2014.

Dr. Wang obtained his bachelor's degree in microbiology from Wuhan University (武漢大學) in the PRC in July 1983. He obtained his master's degree in virology from the National Vaccine and Serum Institute (北京生物製品研究所) in September 1988. He obtained his PhD. in microbiology and immunology from the University of Colorado Medical Center in the United States in August 1994.

Directors and Senior Management

Dr. Gang XU (徐剛), aged 52, has been a Director since June 21, 2018 and was re-designated as an executive Director on April 3, 2021. Dr. Xu is primarily responsible for directing and overseeing drug discovery and early stage research. Dr. Xu is also the senior vice president of the Company and Chengdu Keymed and the executive director of Chengdu Kangnuoxing Biopharma, Inc. (成都康諾行生物醫藥科技有限公司) (“**Chengdu KNX**”).

Dr. Xu possesses more than 18 years of experience in research and development of biopharmaceuticals. From October 2010 to November 2015, he was a senior scientist at the Roche R&D Center (China) Ltd (羅氏研發(中國)有限公司). He was once the general manager of Suzhou Bojuhua Biomedical Technology Co., Ltd. (蘇州博聚華生物醫藥科技有限公司), where he was responsible for pre-clinical research and operations. Dr. Xu has published research papers on immune system recognition, antibody display and bispecific antibodies in internationally renowned academic journals such as Nature Immunology and the Proceedings of the National Academy of Sciences of the USA.

Dr. Xu obtained his bachelor's degree in genetics from Wuhan University (武漢大學) in the PRC in July 1995. He obtained his PhD. in immunology from the Peking Union Medical College (北京協和醫學院) in the PRC in July 2004. He was a post-doctorate fellow in immunology at the University of Maryland School of Medicine in the USA from January 2005 to October 2010.

Non-executive Directors

Mr. Qi CHEN (陳奇), aged 51, has been a Director since June 21, 2018, and was re-designated as a non-executive Director on April 3, 2021. He participates in decision-making in respect of major matters such as corporate and business strategies.

From April 2001 to November 2015, he was a senior software engineer at Motorola Solutions (China) Co., Ltd. Since June 2017, he was an AI architect at Multipoint Life (Chengdu) Technology Co., Ltd. (多點生活(成都)科技有限公司).

Mr. Chen obtained his bachelor's degree in electrical engineering from Zhejiang University (浙江大學) in PRC in July 1996.

Dr. Min Chuan WANG (王閩川), aged 47, has been a Director since March 3, 2021, and was re-designated as a non-executive Director on April 3, 2021. He participates in decision-making in respect of major matters such as corporate and business strategies.

Dr. Wang is the founding managing partner of 3H Health Investment (三正健康投資), where he participates in matters related to the establishment and management of the healthcare investment funds and leads its biotech and biopharmaceutical investments.

Dr. Wang also sits on the Hong Kong Stock Exchange's Biotech Advisory Panel (香港聯合交易所生物科技諮詢小組) and the HKSAR Innovation and Technology Fund's Enterprise Support Scheme (ESS) Assessment Panel (香港特別行政區政府創新及科技基金企業支援計劃評審委員會).

Dr. Wang received his bachelor's degree in pharmacy from Peking University in July, 2001. He obtained his master's degree and his doctor's degree from Cambridge University in the United Kingdom.

Directors and Senior Management

Mr. Yilun LIU (劉逸倫), aged 39, has been a Director since March 3, 2021, and was re-designated as a non-executive Director on April 3, 2021. He participates in decision-making in respect of major matters such as corporate and business strategies.

Mr. Liu has experience working in the financial industry, including serving as the head of special situation at Anatole Investment Management Limited (晨曦投資管理有限公司). Since April 2018, Mr. Liu has been a venture capital partner of Boyu Capital.

Mr. Liu received his bachelor of science degree in marketing from Fudan University (復旦大學) in the PRC in July 2009. He then obtained his master of business administration degree from Columbia Business School in May 2015.

Independent Non-executive Directors

Prof. Xiao-Fan WANG (王小凡), aged 70, as an independent non-executive Director, is responsible for providing independent advice and judgment to our Board.

Prof. Wang is currently Donald and Elizabeth Cooke Chair Professor of Experimental Oncology and Professor of Pharmacology and Cancer Biology at Duke University School of Medicine. In November 2017, he was elected as a foreign academician of the Chinese Academy of Sciences (中國科學院). Between 2012 and 2013, he served as the president of the Society of Chinese Bioscientist in America. Between 2010 and 2018, he served as a member of the Expert Group of the Major Science Program of the PRC Ministry of Science and Technology (科技部重大科學計劃專家組), and a member of the Overseas Expert Advisory Committee of the Overseas Chinese Affairs Office of the State Council (國務院僑辦海外專家諮詢委員會).

Prof. Wang has published more than 160 papers and have been cited more than 16,000 times. From 1992 to 1998, he was an assistant professor in the Department of Pharmacology and Cancer Biology of Duke University. He became an associate professor in 1998, and was promoted to full professorship in 2003. He was appointed the Donald and Elizabeth Cooke Distinguished Professor in 2009.

Prof. Wang obtained his bachelor of science degree in biochemistry from Wuhan University (武漢大學) in the PRC in 1982. In 1986, he received his Ph.D. from the University of California, Los Angeles, and then worked as a postdoctoral researcher at the Massachusetts Institute of Technology.

Directors and Senior Management

Prof. Yang KE (柯楊), aged 70, as an independent non-executive Director, is responsible for providing independent advice and judgment to our Board.

Prof. Ke is currently a professor at Peking University Cancer Hospital (北京大學腫瘤醫院) and an international member of the United States National Academy of Medicine. Prof. Ke is also the President of the Peking University Health Science Center Alumni Association (北京大學醫學部校友會) and Vice-president of Cancer Foundation of China (中國癌症基金會), President of the Health Professional Education Committee of Chinese Association of Higher Education (中國高等教育學會醫學教育專業委員會), and Vice-chairperson of the Steering Committee of Clinical Medicine of the Committee of Academic Degrees of the State Council (國家學位委員會臨床醫學教學指導委員會).

Prof. Ke's research focus is on the upper gastrointestinal tumors, including the cloning of gastric cancer related genes and the functional study of such genes. Together with her team, she has also established the population cohort in esophageal cancer high incidence regions in China, studied the etiology of esophageal cancer, and evaluated the effects and economic efficacy of early screening of the disease. She has published more than 100 papers and had registered patents and been granted awards at national and provincial levels for technological and educational achievements.

Prof. Ke was a member of the 11th and 12th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議), an executive Vice-president of Peking University (北京大學) and of the Peking University Health Science Center (北京大學醫學部), a member of the Committee of Academic Degrees of the State Council (國務院學位委員會) and the Chairperson of the Working Committee for Medical and Pharmaceutical of the Chinese Society of Academic Degrees and Graduate Education (中國學位與研究生教育學會醫藥科工作委員會). Since August 2019, Prof. Ke has been an independent non-executive director of Tencent Holdings Limited, a company listed on the Stock Exchange (stock code: 700).

Prof. Ke graduated from Beijing Medical College (北京醫學院) (subsequently known as Beijing Medical University (北京醫科大學) and currently known as Peking University Health Science Center (北京大學醫學部)) in 1982. From 1985 to 1988, Prof. Ke worked at the National Cancer Institute of the National Institutes of Health of the United States as a postdoctoral fellow.

Directors and Senior Management

Mr. Cheuk Kin Stephen LAW (羅卓堅), aged 63, as an independent non-executive Director, is responsible for providing independent advice and judgment to our Board.

Mr. Law is a Justice of the Peace (JP) awarded by the government of Hong Kong, a member of the National Committee of the Chinese People's Political Consultative Conference, Board Member of Hong Kong Cyberport Management Company Limited, Member of the Government's Green Tech Fund Assessment Committee, and Member of the Agricultural Park Advisory Committee.

Mr. Law worked at Wheelock and Company Limited (會德豐有限公司), a company formerly listed on the Stock Exchange (stock code: 0020) and The Wharf (Holdings) Limited (九龍倉集團有限公司), a company listed on the Stock Exchange (stock code: 0004) from 1995 to 2000; Morningside Group (晨興創投集團) from 2000 to 2006; and TPG Growth Capital (Asia) Limited from July 2006 to September 2012, where he last served as a managing director. Mr. Law served as (i) the chief financial officer of Guoco Group Limited (國浩集團有限公司), a company listed on the Stock Exchange (stock code: 0053) from October 2012 to June 2013; (ii) the executive director of MTR Corporation Ltd., a company listed on the Stock Exchange (stock code: 0066) from July 2013 to July 2016; (iii) an adjunct professor of the Hong Kong Polytechnic University from 2015 to 2017. He has been the managing director of ANS Capital Limited since 2017. From November 2018 to August 2022, he was an independent non-executive director of Bank of Guizhou Co., Ltd. (貴州銀行股份有限公司)(stock code: 6199) and from February 2019 to March 23, 2026, he was an independent non-executive director of Somerley Capital Holdings Limited (新百利融資控股有限公司) (stock code: 8439). Mr. Law has been the independent non-executive directors of the following companies which are listed on the Stock Exchange: (i) China Everbright Limited (中國光大控股有限公司) (stock code: 0165) since May 2018; (ii) China Galaxy Securities Co., Ltd. (中國銀河證券股份有限公司) (stock code: 06881) since June 2020; (iii) CSPC Pharmaceutical Group Limited (石藥集團有限公司) (stock code: 1093) since March 2021; (iv) XtalPi Holdings Limited (晶泰控股有限公司) (stock code: 2228) since May 2024; and (v) China Resources Gas Group Limited (華潤燃氣控股有限公司) (stock code: 1193) since March 2026.

Mr. Law obtained his bachelor's degree majoring in science (civil engineering) from University of Birmingham in the United Kingdom in July 1984 and his MBA degree from University of Hull in the United Kingdom in July 1996. Mr. Law is now a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Institute of Chartered Accountants in England and Wales, president of HKICPA, a council member of Hong Kong Business Accountants Association (HKBAA) and an expert accounting consultant appointed by the Ministry of Finance in the PRC. Mr. Law is also a deputy president of The Hong Kong Independent Non-Executive Director Association Limited (HKiNEDA). Mr. Law has accounting qualifications in Hong Kong and the United Kingdom.

Directors and Senior Management

SENIOR MANAGEMENT

For details of senior management who are also our Directors, please refer to “– Directors – Executive Directors” in this section.

Dr. Qian JIA (賈茜), aged 60, has been a senior vice president of the Company since March 2018. She has been the senior vice president of Chengdu Keymed and is responsible for development and evaluation of drug candidates, pharmaceutical research and registration matters. She is also the general manager of Chengdu KNX, where she is responsible for pilot-scale experiments, the design of production base, and production management.

Dr. Jia had over 33 years of experience in pharmaceutical research. From July 1987 to July 2011, she worked at North China Pharmaceutical Group New Drug Research and Development Co., Ltd. (華北製藥集團新藥研究開發有限責任公司) (“**North China Pharmaceutical Group**”). She last served as its senior vice president, chief scientist, and director of the state key laboratory for antibody drug development. Under her leadership, North China Pharmaceutical Group received the title of “National Laboratory for Antibody Development” from the Ministry of Science and Technology of the PRC. From June 2011 to June 2015, she was the vice general manager of Shanghai Biomax Pharmaceutical Co., Ltd. (上海百邁博製藥有限公司), where she was primarily responsible for quality control. From June 2015 to March 2018, she was the deputy general manager at Shanghai Xiesheng Pharmaceutical Technology Co., Ltd. (上海諧生醫藥科技有限公司). She had been an adjunct professor at Wuhan University (武漢大學) in the PRC.

Dr. Jia obtained her bachelor’s degree in virology and molecular biology from Wuhan University in July 1987. She then obtained her master’s degree in pharmaceutical analysis from Hebei Medical University (河北醫科大學藥學院) in June 2002. In July 2006, she obtained her PhD. in pathogen molecular biology from the Chinese Center for Disease Control and Prevention (中國疾病控制中心). Dr. Jia was also recognized as a senior engineer (正高級工程師) in pharmaceutical engineering by the Title Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組) in December 2004.

COMPANY SECRETARY

Ms. Vivien Pak Yu TAM serves as a manager of SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司), a professional services provider specializing in corporate services, and has over ten years of experience in corporate secretarial field. Ms. TAM has been admitted as an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute of the United Kingdom in 2018. Ms. TAM obtained a bachelor’s degree in China Studies from Hong Kong Baptist University in 2014 and a master’s degree in Professional Accounting and Corporate Governance from City University of Hong Kong in 2017.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Company has adopted the code provisions stated in the Corporate Governance Code contained in Appendix C1 of the Listing Rules. The Company is committed to the view that the Board should include a balanced composition of executive Directors and independent non-executive Directors so that there is a strong independent element in the Board, which can effectively exercise independent judgment.

Except for the deviation from code provision C.2.1 of Part 2 of the CG Code, the Group's corporate governance practices are in compliance with the CG Code. Code provision C.2.1 stipulates that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Bo CHEN is the chairman of the Board and the chief executive officer. With extensive experience in the pharmaceutical industry and having served in our Company since its establishment, Dr. Bo CHEN is in charge of overall strategic planning, business direction and operational management of our Group. The Board considers that vesting the roles of the chairman of the Board and the chief executive officer in the same person is beneficial to the management of the Group. The balance of power and authority is ensured by the operation of the Board and our senior management, which comprises experienced and diverse individuals. The Board currently comprises three executive Directors (including Dr. Chen), three non-executive Directors and three independent non-executive Directors, and therefore has a strong independence element in its composition.

Save as disclosed above, in the opinion of the Directors, the Company has complied with the relevant code provisions contained in the CG Code during the Reporting Period.

Code provision F.2.2 (currently F.1.3) of part 2 of the CG Code provides that the chairman of the Board should attend the annual general meeting and that the chairmen of the audit, remuneration, nomination and any other committees should be invited to attend the annual general meeting and, in their absence, the chairman of the Board should invite other members of the committee or other duly appointed delegate to attend. Dr. Chen (being the chairman of the Board and chairman of the nomination committee), Dr. Changyu WANG (being a member of the remuneration committee) and Dr. Gang XU (for the purpose of code provision F.2.2 (currently F.1.3) of the CG Code, as the duly appointed delegate of Mr. Qi CHEN, a member of the Audit Committee) attended the annual general meeting of the Company held on June 26, 2025.

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

THE BOARD OF DIRECTORS

Board composition

As at December 31, 2025, the Board consists of three executive Directors, namely Dr. Bo CHEN, Dr. Changyu WANG and Dr. Gang XU, three non-executive Directors, namely Mr. Qi CHEN, Dr. Min Chuan WANG and Mr. Yilun LIU, and three independent non-executive Directors, namely Prof. Xiao-Fan WANG, Prof. Yang KE, and Mr. Cheuk Kin Stephen LAW. The overall management and supervision of the Company's operation and the function of formulating overall business strategies were vested in the Board. There are no financial, business, family or other material relationships among members of the Board.

Corporate Governance Report

During the year ended December 31, 2025, the Board has at all times met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise. The three independent non-executive Directors represent more than one-third of the Board, complying with the requirement under Rule 3.10A of the Listing Rules whereby independent non-executive directors of a listed issuer must represent at least one-third of the board. The Board believes there is sufficient independence element in the Board to safeguard the interest of Shareholders.

Directors' responsibilities

The Board takes the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitor the performance of the senior executives. The Directors have to make decisions objectively in the interests of the Company. As at 31 December 2025, the Board comprised nine Directors, including three executive Directors, three non-executive Directors and three independent non-executive Directors. Their names and biographical details are set out in the "Directors and senior management" section of this annual report.

Liability insurance for Directors and senior management of the Company is maintained by the Company with appropriate coverage for certain legal liabilities which may arise in the course of performing their duties.

Delegation by the Board

The management, consisting of executive Directors along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day management and operations of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Directors' responsibilities for financial statements

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

Corporate Governance Report

Independent non-executive Directors

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. The functions of independent non-executive Directors include bringing an impartial view and judgement on issues of the Company's strategies, performance and control; and scrutinizing the Company's performance and monitoring performance reporting.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have made positive contributions to the development of the Company through providing their professional advice to the Board.

All independent non-executive Directors are appointed for a term of three years.

Confirmation of independence

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

Board diversity policy

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out our objectives and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background and other qualities. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge, skills, perspectives and experience, including overall management and strategic development, business, science, investment, accounting and consulting. They obtained professional and academic qualifications including Ph.D. in pharmaceutical and other areas, as well as accounting qualifications. Furthermore, the Board possesses members spanning a wide range of ages. In term of gender diversity, the Board sets a target of having at least 10% female members and the Company currently has 1 female Director, representing 11.1% of Board members. The Company considers that the gender diversity is achieved in respect of the Board and plans to maintain the female director ratio at current level after taking into account of various factors in its context. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy, and our Board and the nomination committee of our Company will assess the Board composition regularly.

Our nomination committee is responsible for reviewing the diversity of our Board. Our nomination committee will continue to monitor and evaluate the implementation of the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis. We will also continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels.

Corporate Governance Report

The Group is committed to upholding and embracing employees with different backgrounds, culture and gender where approximately 57.6% of our staff (including senior management) were female. We will also continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and senior management levels. For details on the diversity in workforce, please refer to the “Environmental, Social and Governance Report” of this report.

Appointment, re-election and removal of Directors

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or a letter of appointment with the Company for an initial term of three years commencing from the Listing Date, subject to renewal after expiry of the then current term. Such term is subject to his retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Articles of Association. The Articles of Association provide that the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election at such meeting.

In accordance with the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The members of the Company may, at any general meetings convened and held in accordance with the Articles of Association, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).

Compensation of Directors and Senior Management

The emoluments of the Directors and Senior Management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

Details of Directors and the top five highest paid individuals are set out in notes 10 and 11 to the consolidated financial statements. During the Reporting Period, no emoluments were paid by the Group to any Directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. For the year ended December 31, 2025, none of the Directors has waived or agreed to waive any emoluments.

Except as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2025, by the Group to or on behalf of any of the Directors.

Directors' training and professional development

Every newly appointed Director has been given a comprehensive, formal and tailored induction on appointment. Subsequently, the Directors will receive updates on the Listing Rules, legal and other regulatory requirements and the latest development of the Group's business and are encouraged to participate in continuous professional development to develop their knowledge and skills.

During the year ended December 31, 2025, 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.

Corporate Governance Report

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

Name of Director	Reading training materials relevant to corporate governance and regulations	Attending briefings relevant to the industry, business, directors' duties or other relevant topic
<i>Executive Directors:</i>		
Dr. Bo CHEN	✓	✓
Dr. Changyu WANG	✓	✓
Dr. Gang XU	✓	✓
<i>Non-executive Directors:</i>		
Mr. Qi CHEN	✓	✓
Dr. Min Chuan WANG	✓	✓
Mr. Yilun LIU	✓	✓
<i>Independent Non-executive Directors:</i>		
Prof. Xiao-Fan WANG	✓	✓
Prof. Yang KE	✓	✓
Mr. Cheuk Kin Stephen LAW	✓	✓

Board meetings

Code provision C.5.1 of Part 2 of the CG 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 communications. Apart from regular Board meetings, the Chairman should at least annually hold meeting with the independent non-executive Directors without the presence of other Directors under the code provision C.2.7 of Part 2 of the CG Code.

During the year ended December 31, 2025, four Board meetings were held at which the Board considered and approved interim results announcement, interim report, annual results announcement, annual report and other business affairs of the Group. The Company expects to continue to convene at least four regular meetings in each financial year at approximately quarterly intervals in accordance with code provision C.5.1 of Part 2 of the CG Code.

Corporate Governance Report

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

Name of Director	Number of meeting(s) attended/number of meeting(s) held for the year ended December 31, 2025				
	Board	AGM	Audit Committee	Remuneration Committee	Nomination Committee
<i>Executive Directors:</i>					
Dr. Bo CHEN	4/4	1/1	/	/	1/1
Dr. Changyu WANG	4/4	1/1	/	1/1	/
Dr. Gang XU	4/4	1/1	/	/	/
<i>Non-executive Directors:</i>					
Mr. Qi CHEN	4/4	0/1	2/2	/	/
Dr. Min Chuan WANG	4/4	0/1	/	/	/
Mr. Yilun LIU	4/4	0/1	/	/	/
<i>Independent Non-executive Directors:</i>					
Prof. Xiao-Fan WANG	4/4	0/1	/	1/1	1/1
Prof. Yang KE	4/4	0/1	2/2	1/1	/
Mr. Cheuk Kin Stephen LAW	4/4	0/1	2/2	/	1/1

The Board intends to meet at least four times per year in the future, and the Chairman intends to hold at least one meeting per year with the independent non-executive Directors without the presence of other Directors.

A tentative schedule for regular Board meetings for 2026 will be provided to the Directors at the beginning of the year. At least 14 days' notice for all regular Board meetings will be given to all Directors and all Directors will be given the opportunity to include items or businesses for discussion in the agenda. For all other Board meetings, reasonable notice will be given. Relevant agenda and accompanying Board papers will be sent to all Directors at least three days in advance of every regular Board meeting.

Board Independence

There are established mechanisms that independent views and inputs are available to the Board. The Board currently comprises three independent non-executive Directors and being one-third of the Board, which meets with the independent requirements under the Listing Rules. In assessing suitability of the potential candidates of independent non-executive Directors, the nomination committee will review their qualification, skills, knowledge, independent views and having regard to the nomination policy and the board diversity policy of the Company. Nomination committee also assessed the time commitment devoted by and independence of independent non-executive Directors annually. External independent professional advice is also available to all Directors (including independent non-executive Directors) whenever deemed necessary. During the year ended December 31, 2025, the Board reviewed and considered the implementation of above mechanisms were effective.

Corporate Governance Report

BOARD COMMITTEES

The Board has established three committees with specific written terms of reference to oversee particular aspects of the Group's affairs.

Audit Committee

The Company established the audit committee in compliance with Rules 3.21 to 3.23 of the Listing Rules with written terms of reference in compliance with the Corporate Governance Code set forth in Appendix C1 to the Listing Rules. The primary functions of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board.

The audit committee consists of one non-executive Director, Mr. Qi CHEN, and two independent non-executive Directors, Mr. Cheuk Kin Stephen LAW and Prof. Yang KE, with Mr. Cheuk Kin Stephen LAW as the chairman. Mr. Cheuk Kin Stephen LAW is appropriately qualified under Rules 3.10(2) and 3.21 of the Listing Rules.

For the year ended December 31, 2025, the audit committee convened two meetings. The attendance record of the Directors at meetings of the audit committee is set out in the table on page 44.

During the meeting(s), the audit committee:

- reviewed annual results of the Group ended December 31, 2024 and interim results of the Group for the six-months ended June 30, 2025;
- reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function and risk management and internal control systems and processes);
- met with the external auditors twice; and
- met with the external and internal auditors once without executive directors present.

Corporate Governance Report

Remuneration Committee

The Company established the remuneration committee in compliance with Rule 3.25 of the Listing Rules with terms of reference in compliance with the CG Code. The primary functions of the remuneration committee include, but are not limited to, the following: (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules. The Remuneration Committee has adopted the first model described in code provision E.1.2(c) of Part 2 of the CG Code.

The remuneration committee consists of one executive Director, Dr. Changyu WANG, and two independent non-executive Directors, Prof. Xiao-Fan WANG and Prof. Yang KE, with Prof. Xiao-Fan WANG as the chairman.

For the year ended December 31, 2025, the remuneration committee convened one meeting to determine the remuneration packages of executive Directors and senior management of the Company and make recommendations to the Board on the remuneration of non-executive Directors. The attendance record of the Directors at meetings of the remuneration committee is set out in the table on page 44.

Nomination Committee

The Company established the nomination committee in compliance with Rule 3.27A of the Listing Rules with written terms of reference in compliance with Appendix C1 to the Listing Rules. The primary functions of the nomination committee include, without limitation, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors. In identifying and selecting suitable candidates for directorships, the nomination committee would consider the candidate's gender, skills, age, professional experience, knowledge, cultural, education background and other qualities. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board. The Company has adopted nomination policy, which is incorporated in the terms of reference of the nomination committee and sets out the selection criteria and nomination procedures for identifying and recommending candidates for appointment or reappointment of Director.

As at December 31, 2025, the nomination committee consists of one executive Director, Dr. Bo CHEN, and two independent non-executive Directors, Prof. Xiao-Fan WANG and Prof. Yang KE, with Dr. Bo CHEN as the chairman. On March 24, 2025, Mr. Cheuk Kin Stephen LAW ceased to be a member of the nomination committee and Prof. Yang KE was appointed as a member of the nomination committee.

For the year ended December 31, 2025, the nomination committee convened one meeting to review the existing structure, size, composition and diversity of the Board, independence of the independent non-executive Directors, and re-election of the Directors. The attendance record of the Directors at meeting of the nomination committee is set out in the table on page 44.

Corporate Governance Report

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the guidelines for the Directors' dealings in the securities of the Company since the listing and, upon specific enquiries of all the Directors, each of them has confirmed that he/she complied with all applicable code provisions under the Model Code during the year ended December 31, 2025.

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

REMUNERATION PAYABLE TO MEMBERS OF SENIOR MANAGEMENT

Pursuant to code provision E.1.5 of Part 2 of the Corporate Governance Code, the annual remuneration of members of the senior management (other than Directors) by band for the year ended December 31, 2025 is set out below:

Remuneration band	Number of members of senior management
HK\$2,000,001 – HK\$2,500,000	1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance duties including:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with Appendix C1 to the Listing Rules (Corporate Governance Code and Corporate Governance Report).

The Board had performed the above duties during the year ended December 31, 2025.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness in order to achieve the Company's objectives. The Company adopted a series of internal control policies, measures, and procedures designed to provide reasonable assurance, which include effective standards, efficient operations, reliable financial reporting and compliance with applicable laws and regulations. The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives. Below is a summary of the internal control policies, measures, and procedures we have implemented:

- The Company conducted, through an annual audit of the internal controls of each business department, a review on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025 and considered them effective and adequate, with no material changes from the last annual review nor significant control failings or weakness identified. The internal audit included reviewing the management of financial statements, sales and receivables, purchasing and payment, fixed assets and intangible assets, human resource, research and development, nature and extent of significant risks (and the Company's ability to respond to such risks and changes). The audit procedures could be summarized as below, including but not limited to:
 - o Interview with responsible personnel;
 - o Obtain and review the required documents;
 - o Test the design and operating effectiveness of the internal control system
- The Company published the risk management and internal control policies, measures and procedures to ensure that the Company maintained reasonable and effective internal controls and compliance with applicable laws and regulations. Besides, the Company insisted on monitoring the implementation of internal control policies, measures, and procedures, making sure that they were the most updated version based on the current business model.
- The Company implemented the relevant internal control policies, measures and procedures on the site and making quarterly and annual regular inspections about the on-site implementation of such policies, measures, and procedures for each stage of the Company's drug discovery and development process.
- The Company adopted various measures and procedures regarding each aspect of the Company's business operation, such as project management, quality assurance, environmental protection, and occupational health and safety. The Company provided the periodic training for the employees, which was one part of Employee Training Program. The Company also required the staff to carry out business activities in accordance with relevant laws, regulations and Company policies by regularly communicating updates and reminders through emails, staff meetings.
- The Company has developed internal policies that provide general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to prevent unauthorized access and use of inside information.

Corporate Governance Report

- The Company has also developed a risk management process to identify, evaluate and manage significant risks and to resolve material internal control defects. Senior management of the Group is responsible for the risk reporting process. Risks identified are documented and mitigation plans are devised. The risk assessment is reviewed by certain members of the senior management and presented to the Audit Committee and the Board for their review.
- The audit committee had the responsibility for monitoring the effectiveness of the risk management and internal control systems. It is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective internal control systems.

AUDITOR'S REMUNERATION

A statement by Ernst & Young about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 122 to 126.

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

Services rendered for the Company	Fees paid and payable <i>RMB'000</i>
Audit service	3,035
Non-audit service (tax consulting service)	270

COMPANY SECRETARY

Directors have access to the services of the company secretary to ensure that the board procedures are followed. The company secretary of the Company is Ms. Vivien Pak Yu TAM. Ms. Tam is a manager of SWCS Corporate Services Group (Hong Kong) Limited and the main contact person of Ms. Tam in the Company is Dr. Bo CHEN.

In compliance with Rule 3.29 of the Listing Rules, Ms. Tam has undertaken no less than 15 hours of relevant professional training during the year of 2025. The biography of Ms. Tam is set out in the "Directors and senior management" section on page 38 of this annual report.

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to Article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an extraordinary general meeting. Extraordinary general meetings shall also be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two calendar months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Corporate Governance Report

Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company at the Company's principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. The Company will not normally deal with verbal or anonymous enquiries.

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR 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 endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To promote effective communication, the Company maintains a website at www.keymedbio.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.

Pursuant to article 12.3 of the Articles of Association, the procedure for shareholders to put forward proposals at a general meeting is the same as the procedure of convening an extraordinary general meeting. For further details, please refer to "Shareholders' Right – Convening an extraordinary general meeting" in this section.

The Board has reviewed the implementation of the shareholders' communication policy of the Company. Taking into account the variety of existing channels for communication and participation, the Company is of the view that its shareholders' communication policy was effective during the year ended December 31, 2025.

CHANGES IN CONSTITUTIONAL DOCUMENTS

The sixth amended and restated Memorandum and Articles of Association of the Company were adopted on June 25, 2024. The sixth amended and restated Memorandum and Articles of Association are available on the websites of the Company and the Stock Exchange.

Environmental, Social and Governance Report

ABOUT THE REPORT

Keymed Biosciences Inc. (the “**Company**”, “**Company**” or “**Keymed**”) is pleased to release the 2025 Environmental, Social and Governance (“**ESG**”) Report (“**ESG Report**” or “**this Report**”), which is designed to report on the Company’s implementation of sustainable development concepts and ESG practices in 2025, and to respond to key ESG issues of concern to stakeholders. This Report should be read in conjunction with the “Corporate Governance Report” section of the *2025 Annual Report of Keymed Biosciences Inc.* (the “**2025 Annual Report**”) to gain a more comprehensive understanding of the Company’s ESG performance.

Scope of the Report

Unless otherwise stated, this Report covers the Company and all its subsidiaries. The time frame of this Report is from January 1, 2025 to December 31, 2025 (the “**Reporting Period**”).

Preparation Standards of the Report

This Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Code* (the “**ESG Reporting Code**”) set out in Appendix C2 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). It also references international guidelines such as *IFRS S1 – General Requirements for Sustainability Related Financial Disclosures*, *IFRS S2 – Climate-Related Disclosures*, and the Sustainability Accounting Standards Board (“**SASB**”) Standards. This Report has complied with the “mandatory disclosure” and “comply or explain” provisions outlined in the ESG Reporting Code, and taken the four reporting principles of materiality, quantitative, balance and consistency as the basis of preparation.

Reporting principles	Application
Materiality	During the Reporting Period, the Company identified the ESG-related materiality issues through the materiality issue assessment, and reviewed and confirmed the ESG-related materiality issues, so as to primarily respond to and disclose the identified materiality issues. Please refer to the sub-section headed “Materiality Issue Assessment” for details.
Quantitative	The Company establishes a data statistics mechanism for the measurable key performance indicators specified in the ESG Reporting Code and discloses the calculation results, and specifies the standards, methods and applicable assumptions adopted in this Report.
Balance	This Report reflects objective facts, disclosing both positive and negative indicators.
Consistency	The Company adopts consistent statistical methodologies with the previous ESG report and has made the necessary explanations for any changes in such methodologies.

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Data Sources and Reliability Statement

All information disclosed in this Report is obtained from the Company's internal documents, statistical reports and related public information. The Company undertakes that this Report contains no false records, misleading statements or material omissions and is willing to bear responsibility for the authenticity, accuracy and completeness of its contents.

Access to this Report

This Report is published in both traditional Chinese and English languages. In the event of any discrepancies in content, the traditional Chinese version shall prevail. This Report is available for viewing and downloading on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.keymedbio.com).

Feedback

If you have any opinions regarding this Report or ESG issues, please contact the Company through the following channels:

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ESG MANAGEMENT

Board Statement

The Board, as the highest decision-making body of the Company's ESG work, bears overall responsibility for ESG strategies and reporting. The Board is responsible for supervising and approving ESG management policies and strategies related to the Company's business development, regularly considering their implementation, and periodically reviewing the progress of the implementation of the ESG related targets; also reviewing the results of ESG issues assessments and prioritization (including ESG issues and ESG-related risks), and continuously supervising the implementation of ESG management as well as the matters that may cause significant impacts and risks to the Company. The Board authorizes the ESG Working Group to carry out the Company's ESG related matters, aiming to integrate sustainable development concepts covering environmental, social and governance aspects into all aspects of the Company's business operation and development, so as to comprehensively enhance the Company's ESG performance.

ESG Governance Structure

The Company has established a clear ESG governance structure with clearly defined rights and responsibilities to thoroughly implement the concept of sustainable development. The Board, as the highest decision-making and responsible body for ESG work, has authorized the establishment of an ESG Working Group as a specialized coordination and execution body, and has formulated the *Terms of Reference of the ESG Working Group* to clarify the responsibilities of each level regarding ESG-related matters. By establishing a three-tier management system of "Board – ESG Working Group – departments, subsidiaries and branches", the Company achieves coordinated management and efficient implementation of ESG matters, continuously enhancing the systematic and professional level of ESG management.

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ESG governance structure and responsibility distribution of the Company

Board	• Oversee ESG matters of the Company; • Supervise and approve the Company's ESG management approaches and strategies, including the process and outcomes of identifying, assessing, prioritizing, and managing ESG-related significant matters (including risks to the Company's business); • Be responsible for assessing and determining ESG-related risks and opportunities of the Company, and ensure that the Company has established appropriate and effective ESG risk management and internal control systems; • Approve the Company's ESG-related goals and review the progress towards achieving these goals; • Consider significant ESG management matters, including but not limited to reviewing annual ESG reports.
ESG Working Group	• Report to the Board on ESG management work; • Implement the Company's ESG management strategy, and execute the Company's decisions, opinions, and recommendations regarding ESG; • Formulate ESG-related goals and action plans, regularly track progress towards achieving these goals, and provide recommendations and resource support for the actions needed to achieve the goals; • Assist the Company in identifying ESG-related risks and opportunities, promptly report to the Board on significant trends that may impact the Company's ESG strategy and propose recommendations of responses; • Regularly review the Company's ESG governance structure and the progress of ESG-related work, review ESG-related significant matters, report and provide recommendations to the Board; • Organize and carry out communication with stakeholders, and listen to stakeholders' feedback on ESG work; • Organize the collection of relevant information, conduct research, analysis and provide recommendations on significant and sudden ESG issues for the Company, and prepare annual ESG reports.
Departments, subsidiaries and branches	• Collect, integrate and deliver ESG information; • Implement the Company's ESG strategies and action plans; • Assist with communication with stakeholders, etc.

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Stakeholder Communication

Keymed is committed to collaborating with various stakeholders to create sustainable value. To effectively respond to the expectations of all parties, the Company has established a two-way, normalized communication mechanism, regularly identifying and paying attention to the demands of major stakeholders such as government and regulatory authorities, shareholders and investors, employees, suppliers and other partners, society, and the public. In response to the concerns of different groups, the Company adopts diversified and efficient communication channels, and translates the results of communication into specific response measures to continuously improve the level of ESG management. Details are as follows:

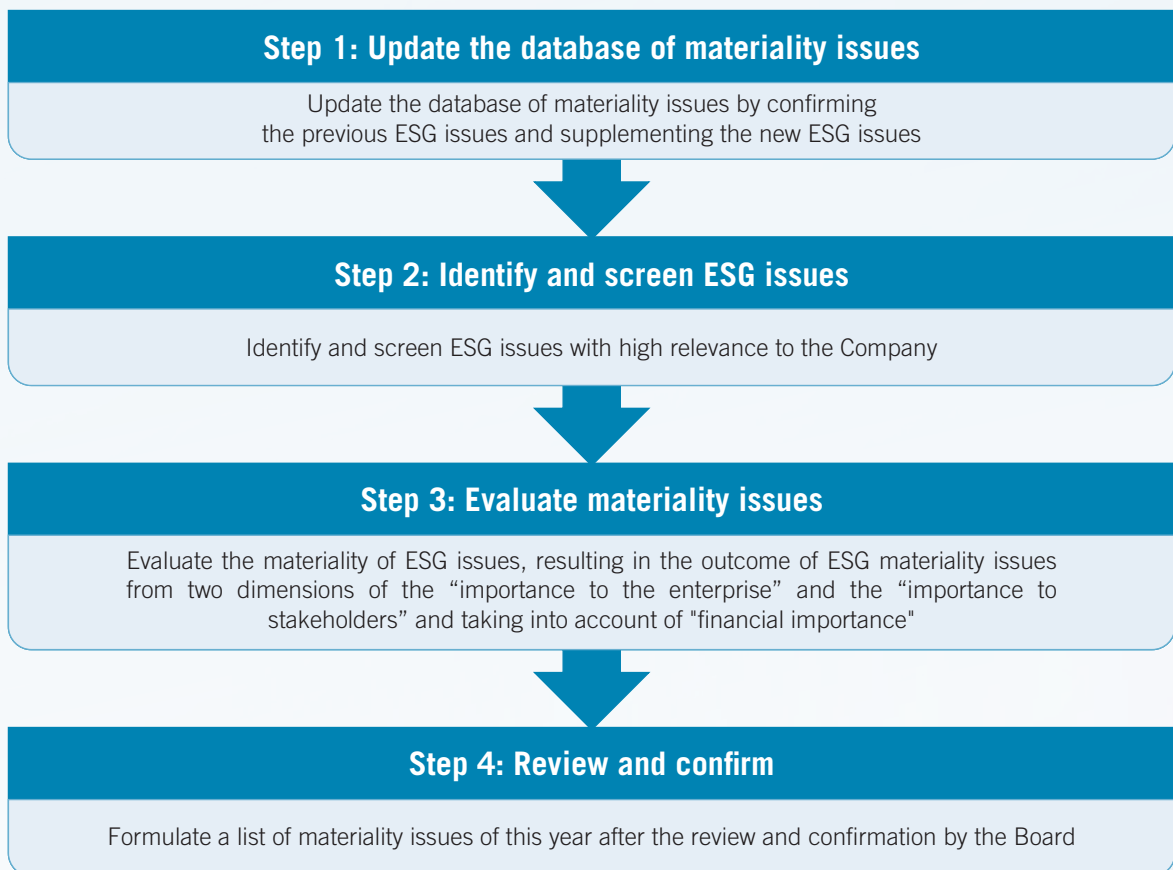
Stakeholders	Concerns and Expectations	Communication Channels	Frequency of Communication	Response of the Company
Government and regulatory authorities	- Compliance operation - Tax compliance - Environmental compliance	- Policy formulation - Meetings and talks - Information delivery - Working conference	- Regularly - Irregularly	- Strict compliance with laws and regulations - Pay tax in accordance with law - Disclose information - Protect environment
Shareholders and investors	- Corporate revenue - Profit of the Company - Corporate governance - R&D and innovation - Information disclosure	- General meeting - Investor conferences and roadshows - Announcements of the Company - Periodic reports	- Annually - Quarterly - Irregularly	- Enhance economic efficiency - Improve corporate governance - Enhance our R&D and innovation capabilities - Strengthen communication - Improve the quality of information disclosure
Employees	- Equal employment and rights & interests of employees - Occupational health and safety - Employee training and development - Employee benefits	- Labor union and employee activities - Dialogue with senior management - Periodical communications - Employee conferences	- Regularly - Irregularly	- Improve the human resources management system to ensure the rights & interests of employees - Implement the occupational health and safety work - Improve training and development system to promote employees' development - Care for employees and organize a variety of employee activities
Suppliers and other partners	- Integrity and transparency - Cooperation and win-win	- Working meetings - Bidding and tendering - Periodical communications	- Regularly - Irregularly	- Ensure fairness and transparency in the tendering process - Fulfill cooperation and agreements - Enhance anti-corruption and integrity
Society and the public	- Community development - Charity and public welfare - Ecological protection	- Inclusive healthcare practice - Charitable donation - Knowledge popularization activities - Environmental protection	Irregularly	- Enhance the accessibility and affordability of drugs - Conduct public welfare activities to promote community development - Implement environmental protection measures

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MATERIALITY ISSUE ASSESSMENT

In order to effectively review the focus areas of ESG management and to gain an in-depth understanding of the concerns and expectations of stakeholders on the Company's ESG issues, we conducted an issue assessment based on the principle of "materiality".

During the Reporting Period, with reference to ESG guidelines such as the Stock Exchange's *ESG Reporting Code*, the IFRS Sustainability Disclosure Standards and SASB standards, and taking into account the Company's development strategy, business characteristics, and the development trend of the pharmaceutical industry, the Company systematically identified, assessed, and reviewed ESG issues from two dimensions of "importance to the enterprise" and "importance to stakeholders", while also considering the "financial importance" of the issues, ultimately determining the material issues for the Reporting Period.



Flowchart of Materiality Issue Assessment

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Based on the aforementioned materiality assessment, the Company ultimately identified 20 material issues. Among them, two new issues, namely “R&D Ethics” and “Inclusive Healthcare”, were added during the Reporting Period, and the importance of pharmacovigilance and other aspects within the “Product Quality and Safety” issue was further clarified. This Report will focus on these issues and comply with relevant disclosure requirements such as the Stock Exchange’s *ESG Reporting Code*, providing a detailed response to the Company’s ESG management practices and performance during the Reporting Period.

	Environmental	Social	Governance
Issues with High Materiality	• Impact and management of the environment and natural resources	• Product quality and safety • R&D and innovation • Equal employment and rights & interests of employees • Information security management • Employee training and development • Intellectual property protection	• Compliance operation • Business ethics and anti-corruption • Risk management
Issues with Medium and Low Materiality	• Emissions management • Hazardous waste disposal and management • Climate change response • Utilization and management of energy and resource	• Occupational health and safety • Remuneration and benefits • Supply chain management • R&D ethics • Inclusive healthcare • Social welfare and development	

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INTEGRITY AND COMPLIANCE, STEADFAST PRACTICE LEADS TO FAR-REACHING SUCCESS

Keymed is committed to navigating its business with high-standard governance, striving for steady and sustainable long-term development. It internalizes compliant operations as a management principle, adheres to business ethics, and strengthens its anti-corruption defenses. Simultaneously, it places great emphasis on information security and privacy protection, and treats intellectual property as a core strategic asset for full lifecycle management, thereby building a solid protective barrier for innovative achievements and core competitiveness.

Compliance Operation

Keymed strictly adheres to the *Company Law of the People's Republic of China* (《中華人民共和國公司法》), the *Securities Law of the People's Republic of China* (《中華人民共和國證券法》), and other relevant laws and regulations. It has formulated and implemented risk management and internal control policies, measures, and procedures such as the *Keymed Due Diligence Process* (《康諾亞合規盡職調查流程》), ensuring that the Company maintains reasonable and effective internal controls and complies with applicable laws and regulations. During the Reporting Period, the Company continued to optimize core management systems such as the *External Activities and Conduct Compliance Guidelines* (《對外活動和行為合規指引》), ensuring the continuous and effective operation of the internal control system and promoting the Company's lawful, compliant, orderly and efficient development.

The Company has established risk management procedures to identify, assess, and manage significant risks (including ESG-related risks), and to address major internal control deficiencies. During the Reporting Period, the Company updated its supplier and partner risk management procedures to address major strategic risks (such as geopolitical conflicts and disruptions in key supply chains), standardized and tightened due diligence, ongoing monitoring, and exit management processes for key third parties; formulated and implemented the *Pharmaceutical Representative Behavior Management Policy* (《醫藥代表行為管理政策》), established a systematic risk assessment mechanism for pharmaceutical representatives' academic promotion activities, and enhanced the compliance control effectiveness of academic promotion activities.

The Company continues to promote the construction of the compliance system, and has established a more comprehensive pre-operational and post-operational internal supervision system, which has formed the three lines of defence (i.e. the business departments – compliance and finance department – internal audit department) to implement risk management in their respective positions.

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Three back lines of the Company's compliance supervision system

First back line	Various business departments	Identify and assess compliance risks in the course of work through the performance of their responsibilities, and take the heads of departments as the first persons in charge and enter into compliance safety target responsibility letters and performance contracts with them, so as to implement compliance responsibilities at each level
Second back line	Compliance and finance department	Continuously monitor compliance risk and provide professional support and guidance
Third back line	Internal audit department	Conduct independent and objective audit supervision, focus on investigating matters related to corruption, fraud, the implementation of the system and management of the performance of the duties of managers

The Company continued to strengthen building of a compliance culture, and conducted compliance training for Directors, all employees and business departments, and promoted compliance related regulations and systems through mail pushing, system billboard warning and other ways from time to time, so as to raise the legal risk prevention awareness of all employees. During the Reporting Period, the Company systematically conducted more than 20 special trainings for key departments such as sales and marketing, focusing on core areas including policies and regulations, trade secret protection, and sales behavior compliance, covering more than a thousand person-times. A strict assessment and evaluation mechanism was implemented to ensure that all employees not only “participate” but also “understand and grasp” compliance requirements.

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Regulatory training for all employees of Keymed

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Business Ethics

Keymed has always insisted on the highest standards of commercial ethics and strictly complied with laws and regulations on the prevention of bribery, extortion, fraud and money laundering, such as the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), the *Law of the People's Republic of China Against Unfair Competition* (《中華人民共和國反不正當競爭法》), and the *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》). The Company has formulated rules and regulations, including the *Anti-fraud Management Measures* (《反舞弊管理辦法》), the *Anti-corruption and Anti-bribery Policies* (《反腐敗和反賄賂政策》), and the *Fault Liability Regulations* (《過錯追究責任辦法》), and has requested employees to sign the *Anti-fraud and Anti-bribery Commitment Letter* (《反舞弊反商業賄賂承諾書》). The Company continues to improve its anti-corruption and business ethics system. During the Reporting Period, it issued and implemented the *Policy on Brand Reminders, Marketing Items, Medical Education Supplies and Customary Gifts* (《品牌提示物、推廣輔助用品、醫療教育用品及風俗禮品政策》), which defines the compliance scope and usage purposes of gifts and items in business interactions, regulates interactions with suppliers, partners, and other business associates, and strengthens prior reporting and approval as well as management supervision responsibilities to effectively prevent business ethics risks.

The Company regularly conducts anti-fraud audits, and conducted investigation into possible non-compliance with laws and regulations to identify and correct possible problems in order to strengthen the risk control of fraud and commercial bribery. During the Reporting Period, Keymed was not aware of any non-compliance of the Company or its employees in relation to corruption, extortion, fraud and money laundering.

The Company has established and publicized complaint and reporting channels, standardizing the reporting process, scope, investigation and handling procedures in accordance with management documents such as the *Anti-fraud Management Measures*. Any form of fraudulent behavior by management and employees, as well as violations of company policies, regulations, and compliance ethics guidelines, are included in the scope of reporting. The Company also encouraged its employees, customers and suppliers to actively supervise through integrity commitment letters in business contracts, communication with suppliers via email, training at all levels, and displaying reporting channels in places such as construction sites. In addition, the Company implemented measures to protect whistleblowers to keep their identity and relevant information in strict confidence, thereby effectively protecting the personal safety and legal rights of whistleblowers.

Keymed actively promoted integrity culture and has conducted anti-corruption training and work integrity education training for both Directors and employees. During the Reporting Period, the Company provided several trainings on the rules and regulations of the *Anti-corruption and Anti-commercial Bribery* (《反腐敗反商業賄賂》), trade secret protection and sales compliance, and organized offline and online examinations after the trainings to ensure that the employees fully understood the training content so as to enhance their anti-corruption awareness.

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Anti-Corruption Training of Keymed

Trainees	Main content	Effect
Directors, senior management	Organize a specialized anti-corruption training for senior management, focusing on in-depth analysis of major anti-corruption events in key areas for the year and areas of corruption risk that require special attention	The training effectively reinforces the senior management's awareness of integrity in professional conduct by interpreting the latest work trends of law enforcement agencies and comprehensively sharing typical anti-corruption cases, vividly highlighting potential corruption risks. It has successfully achieved the high-level training objectives of publicity, education, and risk warning
All commercial employees	We have conducted more than ten specialized training sessions on the policy of the <i>Anti-corruption and Anti-commercial Bribery</i> , covering a total of over 600 person-times, achieving comprehensive coverage of the commercial team	Not only do we provide an in-depth interpretation of policy provisions, but we also ensure that every employee fully understands, absorbs, and masters the core content of the training through strict in-class or final exams. This ensures that anti-corruption requirements are internalized in their hearts and externalized in their actions, thereby strengthening the Company's grassroots compliance defense line

INFORMATION SECURITY AND PRIVACY PROTECTION

In strict compliance with relevant laws and regulations of the state and the places where the Company operates on information security and privacy protection, such as the *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), the *Data Security Law of the People's Republic of China* (《中華人民共和國數據安全法》), Keymed has worked out a series of systems and regulations on data management and information backup to ensure the safe and stable operation of the Company's networks. The Company has established an information technology ("IT") department, the Data Protection and Privacy Office, which is responsible for coordinating the Company's privacy compliance matters, promoting communication and training of relevant systems and ensuring that employees fully understand and strictly comply with relevant laws and regulations, thereby protecting the information security and privacy of customers and users.

Keymed is committed to enhancing information security protection and continuously improving the Standard Operating Procedures ("SOP") related to information security. The Company has adopted an electronic data collection system to realize information desensitization feedback to protect sensitive data. At the same time, it has classified confidential information and specified the scope, authority and use procedures of information under different categories. In addition, the Company also adopted the following information safety management measures to enhance information security protection:

- New employees are required to sign commitment documents related to the use of office computers and data integrity during the onboarding process;
- Providing continuous training on information security and data integrity to all employees, covering topics such as the security of employees' passwords, proper use of computers, email and removable storage media and phishing telephone or email identification;

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- For external suppliers, we implement centralized control and the principle of minimum authorization, limiting their access to information resources through network segregation;
- Using the threat detection system to conduct security audit on network traffic and established abnormal traffic analysis and warning mechanism to realize threat control;
- Implementing access control through Network Policy Server (NPS) admission authentication for wireless networks. Guest wireless access is only permitted for internet connectivity, while access to the internal network is prohibited, thereby further reducing information security risks;
- Filtering and controlling viruses and phishing emails through the email security gateway.



Information security tips (identifying phishing emails and protection)

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Keymed has further strengthened its privacy protection system in respect of privacy information collection, information disclosure, personal information protection and cross-border data transmission, and adopted the following measures during the Reporting Period:

Privacy information collection	We collected privacy information only for limited, clear and lawful purposes and always processed personal information in accordance with applicable laws.
Information disclosure	- Internal information disclosure: Authorization was granted only to employees, agents or contractors who need access to personal information to complete assigned tasks; - External information disclosure: Disclosure was made only as permitted or required by legal procedures, when an agreement or business need arose, or with the consent of individuals.
Personal information protection	We took security measures appropriate to the different sensitivity of information, including reasonable technical and physical measures, to protect the confidentiality and security of personal information and prevent anticipated threats and unauthorized access to personal information.
Cross-border data transmission	We completed the <i>Personal Information Protection Impact Assessment Report</i> (《個人信息保護影響評估報告》) according to the <i>Measures for the Security Assessment of Data Cross-border Transfer (Draft for Comments)</i> (《數據出境安全評估辦法(徵求意見稿)》) issued by the Cyberspace Administration of China to ensure the secure protection of personal information involved in international cooperation projects.

Keymed clearly defines the scope of confidential information and the corresponding management methods to ensure the security of trade secrets and other confidential information. The Company has signed confidentiality agreements with its employees and partners, strictly regulating the data usage permissions in various processes, and promises not to share data with external third parties, effectively preventing the risk of information and privacy leakage. At the same time, the Company also adopts the following privacy protection measures:

- **Prior consent:** The Company undertook to protect the privacy of patients who participate in clinical trials. Before the patients were enrolled in a clinical trial, the relevant personnel would inform the patients of the Company's data privacy and protection policies and measures. The Company would collect relevant clinical data only with the consent of the enrolled patients;
- **De-identification:** The Company strictly conducted de-identification protection on the patient information by deleting the personal identifiers of the enrolled patients, including name, telephone number, address, ID number and other information that could be used to identify the patients when generating clinical trial data;
- **Data storage and access:** The Company committed not to disclose patient information to unrelated parties. The personal information of the enrolled patients was kept at the medical institutions which have signed internal control protocols to restrict and monitor access to the data. Confidential patient data was only available to authorized employees.

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Intellectual Property Protection

Keymed has always regarded intellectual property as a core strategic asset and an important cornerstone of ESG governance. It strictly adheres to laws and regulations such as the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》), and the *Copyright Law of the People's Republic of China* (《中華人民共和國著作權法》). It has established and continuously improved internal management systems for intellectual property protection, including the *System for Infringement Prevention* (《防侵權制度》), the *System for Research and Development Achievement Protection* (《研發成果保護制度》) and the *System for Management of Scientific and Technological Achievements of Research and Development Center* (《研發中心科技成果管理制度》). It fully integrates intellectual property management into the entire process from R&D project initiation to product launch, continuously strengthening intellectual property protection efforts.

Keymed continues to strengthen the full-process management of intellectual property, effectively safeguarding the innovative achievements transformed from R&D investment. It persistently enhances the cultivation of intellectual property literacy among all employees, focusing on improving their awareness of protection, risk prevention and control capabilities, and the mindset of achievement transformation. Additionally, it introduces new technological means such as artificial intelligence to enhance the efficiency of patent retrieval and risk assessment, thereby further consolidating the Company's core competitiveness in intellectual property in the field of biomedicine.

Craftsmanship Builds Quality, Innovation Ensures Safety

Only by emphasizing both craftsmanship and innovation to forge excellent quality can we safeguard patient health. Keymed adheres to the spirit of craftsmanship throughout the entire product lifecycle, from research and development, production, transportation to sales, strictly adhering to the bottom line of quality and safety. With innovation as the driving force, we adhere to ethics in research and development to ensure the safety and efficacy of drugs. At the same time, the Company extends quality management to the upstream and downstream of the supply chain, collaborating with partners to build a responsible supply system.

Product Quality

Adhering to the mission of "Continuous Innovation, Pursuit of Excellence", Keymed is committed to providing patients with more high-quality and affordable innovative therapies. The Company strictly complies with laws and regulations such as the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), the *Measures for the Administration of Drug Registration* (《藥品註冊管理辦法》), the *Good Manufacturing Practice of Medical Products* (《藥品生產質量管理規範》), the *Measures for the Supervision and Administration of Pharmaceutical Production* (《藥品生產監督管理辦法》), and the *Chinese Pharmacopoeia* (《中國藥典》), and has developed internal standards such as the *Quality Manual* and SOP. At the same time, during the Reporting Period, the Company further improved management systems such as the *Drug Market Release Management Procedures* (《藥品上市放行管理規程》) and the *Production Management Procedures* (《生產管理規程》), enhancing the management of product quality during the production process.

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Quality Management System

Adhering to the concept of high standard of quality management, Keymed established and effectively operated a quality management system in compliance with the requirements of the *Good Manufacturing Practice of Medical Products* (“GMP”), the World Health Organization (WHO) and the *Quality Risk Management* (《質量風險管理》) guidelines (ICHQ9) and the *Pharmaceutical Quality System* (《藥品品質體系》) (ICHQ10) of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use, and produced marketed drugs that meet drug registration requirements in accordance with validated and approved processes. The Company has clearly defined the quality management workflow and standards at each level in accordance with the quality management system and divided the duties among the persons in charge at each level to better promote the daily product quality management and ensure the effectiveness of the quality management system.

Quality Control and Assurance

The Company strictly controlled the quality in each segment, and implemented targeted corrective actions and preventive actions (CAPA) for deviations, changes, and other situations during production, thereby achieving full life cycle coverage of products R&D, registration, testing and production. On this basis, the Company adheres to full-process quality supervision for each batch of products, encompassing raw and auxiliary material inspection upon arrival, intermediate product process control, real-time monitoring of production steps, finished product release inspection, and long-term stability research, which achieves full-process quality control from the source to the end.

To ensure the implementation of the aforementioned management requirements, all production bases of Keymed that have been put into operation have established independent quality control laboratories, equipped with experienced professional testing teams and first-class precision testing equipment, capable of conducting comprehensive inspections of materials and products. As of the end of the Reporting Period, Keymed’s laboratory testing capabilities have fully covered key areas such as instrumental analysis, biochemical and physicochemical testing, and microbiological testing. These capabilities not only comply with strict domestic and international drug quality regulations but also fully meet the testing needs of the Company’s diversified products, providing a solid foundation for quality control at all stages of drug research and development, production, and post-market launch.

The Company places great emphasis on the safety of products during storage and transportation. We have formulated normative documents such as the *Finished Product Shipping Procedures* (《成品發運規程》), the *Rules on Administration of the Allocation of Materials and Supplies* (《物料和物資調撥管理規程》), and the *Rules on the Administration of Product Warehousing, Storage and Distribution* (《產品入庫、儲存、發放管理規程》), strictly regulating operational processes such as warehousing, distribution, and allocation to ensure that drug storage meets requirements. For drugs transported via cold chain, the Company works closely with transportation suppliers to conduct cold chain transport verification and adopts verified and qualified transportation methods. We monitor temperature throughout the entire transportation process, ensuring temperature control and traceability from factory to customer, thereby guaranteeing patient medication safety and supply continuity.

In addition, Keymed adheres to strict quality certification standards and regularly conducts internal quality management reviews and self-inspections. The Company conducts at least one comprehensive audit and review of the factory’s GMP quality management system and product quality each year, covering key systems such as quality management, production management, plant facilities and equipment, material management, packaging, and labeling systems, in order to continuously improve the production quality management system. During the Reporting Period, 100% of the Company’s production bases that have been put into commercial operation in China passed the GMP inspection.

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Quality Risk Management

Keymed has established a quality risk management system in accordance with relevant requirements, utilizing risk management methods and tools to identify, assess, control, communicate, and review quality risks throughout the entire product lifecycle. Based on risk considerations, effective decisions are made to eliminate, reduce, or control potential risks, thereby effectively safeguarding patient interests.

Product Recall

The Company complied with the relevant provisions of the drug regulatory authorities, and formulated the *Product Recall Management Procedures* (《產品召回管理程序》), the *Nonconformity Management Procedures* (《不合格管理程序》) and the *Sales Return Management Procedure* (《銷售退貨管理程序》) and other product recall related management methods. For products that involved in quality issues such as product complaints and adverse reactions, the Company took necessary recall measures upon request and recorded and destroyed the products returned due to quality. During the Reporting Period, no products of the Company were required to be recalled for safety and health reasons.

Quality Culture Construction

The Company has established a comprehensive training management standard, assigning dedicated personnel to oversee training related to quality management, ensuring that our team possesses solid professional knowledge and skills. To enhance employees' quality awareness and guarantee product quality, the Company conducts various quality management trainings, including annual training (quality compliance, risk prevention and control), pre-effective document training (ensuring the implementation of the quality system), and on-the-job training. Furthermore, we train personnel in GMP-related positions through various aspects such as GMP standards, quality management processes, and key job operations, ensuring they possess the necessary qualifications to carry out GMP activities in their respective positions.

Pharmacovigilance

Keymed strictly adheres to laws and regulations such as the *Good Pharmacovigilance Practice* (《藥物警戒質量管理規範》) and the *Measures for the Reporting and Monitoring of Adverse Drug Reactions* (《藥品不良反應報告和監測管理辦法》). It has formulated and implemented the *Main Document of the Pharmacovigilance System* (《藥物警戒體系主文件》) as well as supporting management systems and operational procedures. Relying on its internal monitoring system and product safety policies, it systematically and normatively carries out various pharmacovigilance tasks, fully ensuring the medication safety of patients.

The Company has established a sound pharmacovigilance management system and set up a Drug Safety Committee as the core decision-making body for pharmacovigilance work, responsible for decision-making on risk assessment, incident handling and risk control. The committee comprises core leaders from multiple departments to achieve cross-departmental collaboration and coordination. Additionally, an executive team consisting of senior pharmacovigilance personnel has been established, forming a “decision-making – execution” closed-loop management to ensure efficient and orderly operation of pharmacovigilance work.

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The Company carries out full-life cycle drug safety management, integrating the concept of risk prevention and control throughout the entire process of drug design and screening, clinical trials, and post-marketing surveillance. Before drug launch, our pharmacovigilance team is deeply involved in clinical trials, comprehensively assessing potential safety risks based on drug mechanism of action, non-clinical pharmacokinetic, pharmacodynamic, and toxicological data, and fully considering the target prescription population and special population in the clinical protocol design. We also cooperate with the data security monitoring committee to regularly review data quality, promptly identify new safety signals during the clinical trial stage, and conduct analysis and evaluation. After drug launch, the Company quickly integrates the safety data from the clinical trial stage to establish a closed-loop management of “monitoring – identification – evaluation – control”, ensuring early detection, early assessment and early disposal of drug safety risks, thereby minimizing the medication risks for patients.

The Company has established a four-in-one adverse reaction information collection network encompassing “Company, medical institutions, distributors and patients”, and set up an intelligent pharmacovigilance information management platform. By integrating domestic and international adverse reaction monitoring data, literature data, and clinical usage data, we achieve the collection, rapid reporting, analysis, and signal mining of suspected drug adverse reaction information. We empower pharmacovigilance work with intelligent technology to enhance risk early warning and response efficiency. The Company has also established smooth information feedback channels, guiding medical institutions to actively report, distributors to assist in collection, and patients to voluntarily provide feedback. Furthermore, we strengthen communication and coordination with national and local adverse drug reaction monitoring centers, promptly respond to regulatory requirements, and actively cooperate with regulatory authorities in carrying out risk investigations and special rectification work.

Meanwhile, Keymed has been continuously conducting training on pharmacovigilance and safety information reporting, covering all employees and key personnel, to continuously enhance their risk awareness and professional capabilities, providing a solid foundation for the effective operation of the pharmacovigilance system.

- Training for all staff: Clarify the product safety information reporting responsibilities of employees and partners (medical institutions, distributors, etc.), ensuring timely feedback of safety information;
- Pharmacovigilance personnel:
 - Induction training: Develop a systematic induction training plan to help new employees quickly adapt to job requirements;
 - On-the-job training: Continuously conduct specialized training on regulatory processes, safety incident assessment, risk management plans, and other related topics to ensure the ability to perform duties;
- Training for clinical trial project personnel: Conduct targeted training for all personnel involved in clinical trial projects, covering the scope of safety events to be reported in the clinical trial protocol, as well as the information reporting channels and timeframes specified in the safety management plan.

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Customer Service

Keymed attaches great importance to the opinions of its customers and has formulated and continuously improved management measures such as the *Product Quality Complaint Management Procedure* 《產品質量投訴管理規程》, clarifying the complaint handling process and management mechanism to ensure that complaints from customers are handled in a timely and proper manner. During the Reporting Period, the Company further improved the *Quality Complaint Handling Management Procedure* 《質量投訴處理管理程序》, perfecting the process of receiving and investigating quality complaints, and stipulating the implementation of complaint investigation and handling exceeding the deadline, thereby standardizing the complaint handling process. In the event of a product complaint, the Company will immediately conduct an investigation to identify potential product safety hazards, analyze the reasons for the complaint accurately, so as to formulate and implement solutions and remedial measures, and promptly respond to the customer. During the Reporting Period, the Company has not received any complaints regarding its products or service quality and safety.

R&D and Innovation

Keymed remains committed to driving high-quality corporate development through technological innovation, continuously enhancing its independent R&D capabilities and accelerating the clinical development of multiple innovative products. The Company has continuously refined its R&D system and management model, established a highly integrated R&D platform that focuses on the fields of immunology and oncology, thereby achieving comprehensive synergy from early discovery through clinical development. The Company's core proprietary platforms include the antibody discovery platform, the KeyMedSTAR™ (Keymed Superior Topo1i ADC Reagents) ADC Platform, the TCE Bispecific Antibodies Platform, the VESIR™ (VEhicle for siRNA delivery) oligonucleotide platform, the small molecule platform and the KeyCND™ (Keymed Central Nervous System Delivery) Blood-Brain Barrier-Penetrating Antibody Delivery Platform.

To enhance R&D efficiency, Keymed has established an integrated R&D system covering target validation, lead molecule discovery and optimization, preclinical evaluation, process development, translational research, clinical development and manufacturing. This system enables the Company to continuously build and advance a diversified pipeline of differentiated innovative therapies, including monoclonal antibodies, bispecific antibodies, antibody drug conjugates and oligonucleotide drugs in an efficient and cost-effective manner. As of the end of the Reporting Period, the Company has applied for a total of 249 patents and obtained 35 patent authorizations, representing an 84% increase compared to the previous year.

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Case: Keymed, together with its core product Kangyueda (康悦达®) (Stapokibart), was jointly listed on the “China’s Innovative Drug Decade Glory List”

On September 24, 2025, the 2025 China Healthcare Decision-Makers Conference (2025CHDC) and the China Innovative Drugs Decade Achievement Retrospective Event was held in Beijing. The conference unveiled the highly anticipated “China’s Innovative Drug Decade Glory” list, where the Company and its core innovative product, Kangyueda (康悦达®), received prestigious awards of the “Industry-Leading Biotech Company” and “Industry-Leading Innovative Drug”, respectively. This “double recognition” is a high accolade from the industry, acknowledging the Company’s comprehensive strength and the exceptional value of its products.



Won two awards: “Industry-Leading Biotech Company” and “Industry-Leading Innovative Drug”

In addition, Keymed actively advances digital and intelligent transformation by continuously operating, optimizing and updating digital systems that support business segments, such as the integrated business and financial system (ERP), Laboratory Information Management System (LIMS), Quality Documentation and Training Management System (DTMS), Quality Management System, and Research and Development Project Management System (PPM). The Company consistently drives digital-intelligent transformation, including the introduction of the R&D AIDD/CADD platform, intelligent office assistance, and the application of medication inquiry robots.

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R&D Ethics

Keymed always adheres to the ethical bottom line in R&D. In the process of continuously promoting drug innovation, it strictly follows domestic and international regulations and ethical guidelines, integrating the protection of clinical subjects and the welfare of experimental animals throughout the entire R&D process.

Rights and interests of clinical subjects

Keymed strictly adheres to laws and regulations such as the *Civil Code of the People's Republic of China* (《中華人民共和國民法典》), the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》), and the *Good Clinical Practice* (《藥物臨床實驗質量管理規範》), and abides by the international ethical principles of the *Declaration of Helsinki*. It conducts clinical application and trials in accordance with regulations such as the *Measures for Ethical Review of Human Life Sciences and Medical Research Involving Humans* (《涉及人的生命科學和醫學研究倫理審查辦法》), effectively safeguarding the right to know and the right to free choice of clinical subjects.

The Company places great emphasis on safeguarding the rights and interests of subjects. Before conducting clinical trials, the Company engages in thorough and objective communication with subjects to ensure they fully understand the potential risks, side effects, and potential benefits of the trial, as well as provides sufficient time for subjects to weigh their options and make an independent decision on whether to participate. All clinical trials can only commence after subjects have fully understood the trial protocol and signed the Informed Consent Form. During the trial, subjects are free to withdraw from the study at any time for any reason. If there are changes to the clinical research protocol or the investigator's brochure, the Company will promptly update the Informed Consent Form, submit the revised materials to the ethics committee for approval, and inform subjects of the relevant changes as soon as possible, fully safeguarding the safety and rights of subjects.

Animal Welfare

Keymed strictly adheres to laws and regulations such as the *General Code of Animal Welfare* (《實驗動物福利通則》) and the *Laboratory Animal – Guideline for Ethical Review of Animal Welfare* (《實驗動物福利倫理審查指南》), and has established a Laboratory Animal Ethics Committee to handle matters related to laboratory animal ethics. The Company has formulated relevant documents such as the Laboratory Animal Welfare Ethical Review Procedures and Standard Operating Procedures for Laboratory Animals, and regularly conducts training on animal welfare to enhance the experimental operators' understanding and implementation of animal welfare ethics, ensuring that animal experiments are conducted legally and in compliance.

Before conducting animal experiments, we strictly adhere to the 3R principles of "reduction, replacement and refinement". All experimental protocols must undergo rigorous review by the Experimental Animal Ethics Committee. During the experiment, animals are kept and managed in strict accordance with the standards set out in the *Environment and Facilities for Experimental Animals* (《實驗動物環境與設施》) (GB 14925-2023). Real-time dynamic monitoring of various physiological states of the animals is conducted, and clear criteria for determining humane endpoints are established. Euthanasia is promptly implemented when the endpoints are reached, to minimize animal suffering to the greatest extent possible.

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Supply Chain Management

Keymed strives to build a sustainable supply chain and continuously improve the supplier management system. The Company has formulated documents such as the *Procurement Management Regulations* (《採購管理規程》) and the *Supplier Management Regulations* (《供應商管理規程》), to strictly control the entire process of supplier selection, access, evaluation and audit. For precursor chemicals, the Company has formulated the *Procedures for Procurement, Filing, Warehousing and Disposal of Precursor Chemicals* (《易製毒化學品採購、備案、入庫、核銷規程》), strictly verifying the legal business qualifications of suppliers to ensure that the entire process of procurement and use complies with the requirements of the *Regulations on the Administration of Precursor Chemicals* (《易製毒化學品管理條例》). During the Reporting Period, the Company further strengthened supplier management, enhanced on-site audit requirements for material suppliers, and introduced a dynamic audit mechanism to continuously improve the compliance and sustainable management level of the supply chain.

The procurement category of the Company mainly included the third-party contracting services related to preclinical evaluation and clinical trials of candidate drugs, raw materials, consumable materials, machinery and equipment. As of the end of the Reporting Period, the Company had a total of 685 suppliers, all of which were managed and controlled in accordance with the Company's supplier management regulations.

In terms of supplier access, Keymed has formulated the supplier access requirements and procedures, formulated detailed access qualification guidelines for reagent chemicals and hazardous chemicals, and reviewed the operation, production-related qualifications, management system and production standards of suppliers. The Company has also incorporated ESG factors such as environmental management qualification certification and quality management system certification into the review system, so as to effectively manage risks such as environmental and social risks of suppliers. In particular, the Company conducted regular on-site inspection of clinical quality to ensure that the key elements were legal and compliant and met the access standards, and reviewed commercial ethics related factors to ensure that the suppliers were free from administrative penalties, administrative litigation and tax evasion. The Company also promoted green procurement, and from procurement of raw materials, cold chain logistics to packaging materials, gave priority to energy conservation and environmental protection products. Subject to factors such as quality and safety, the Company also procured second-hand equipment to respond to the call for recycling economy. In addition, the Company promoted the alternative plan of domestic equipment and consumables and cooperated strategically with local manufacturers to enhance the resilience of the supply chain.

Keymed carried out the supplier evaluation in strict accordance with the *Supplier Questionnaire*, *Quality Assurance Agreement*, *Supplier Quality Problem Feedback Form*, and other documents. The Company conducted periodic and systematic evaluation on the supplier's qualifications, technical capabilities, compliance of response to user requirement description, and other indicators, with focus on key elements such as cost, time, quality, and continuity.

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In order to implement supplier management, the Company carried out compliance audit on matters such as the quality and safety of products and services, business ethics, labor practices, environment, anti-corruption, information protection, and intellectual property rights. We tracked the supply quality of suppliers, required suppliers whose supply quality has deteriorated to make rectification within the time limit, and disqualified those who did not attach importance to quality and failed to make obvious improvements within the time limit. In order to enhance the security and stability of the supply chain, the Company actively carried out communication and training with its suppliers from time to time, promoting the improvement of their supply capabilities and ESG management levels.

The Company is committed to fostering a transparent, compliant and efficient procurement environment. By implementing standardized operations, establishing centralized pricing and coordinating procurement mechanism, and adding commercial ethics and supervision mechanisms to the cooperation contracts, the Company has built a solid line of defense against corruption, ensuring that the transaction process adheres to integrity standards.

Responsible Marketing

Keymed actively practices responsible marketing, strictly complies with laws and regulations such as the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and the *Drug Administration Law of the People's Republic of China* (《中華人民共和國藥品管理法》) to carry out promotion and publicity activities, ensures that the promotional content is true, accurate, and complete, and eliminates any form of false or misleading propaganda. At the same time, the Company strictly complies with the *Measures for the Administration of the Insert Sheets and Labels of Drugs* (《藥品說明書和標籤管理規定》), standardizes the preparation and management of drug instructions and labels, and ensures that the textual expression is scientific, standardized and accurate. In addition, the Company pays attention to the compliant dissemination of medical and scientific information, strictly limits the scope of audience and usage scenarios, and ensures the accuracy and compliance of professional information transmission.

GATHERING TALENTS TO INVIGORATE THE ENTERPRISE AND BUILD DREAMS

Keymed is committed to building a diverse, equal, and inclusive workplace environment, fully safeguarding the legitimate rights and interests of employees; strengthening the safety production line, protecting the physical and mental health of every employee; continuously improving the training and development system, opening up clear growth pathways for employees, and creating a sense of belonging with sincere care, and by uniting efforts, seeking development and creating a future together with the enterprise.

Environmental, Social and Governance Report

Employment Management

Keymed strictly complies with the labor-related laws and regulations such as the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》), the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), and the *Provisions on the Prohibition of Using Child Labor* (《禁止使用童工規定》), and continues to improve the human resources management systems in relation to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, other benefits and welfare, and prevention of child and forced labor, such as the *Employee Handbook*.

Keymed has established a comprehensive recruitment system, formulated the *Recruitment Management System* (《招聘管理制度》), and strived to broaden the recruitment channels to recruit talents through various channels such as online recruitment, campus recruitment and internal recommendations. At the same time, the Company actively promotes equal employment and maintains an open, fair and impartial recruitment mechanism to strive to eliminate discrimination based on gender, religion, race, and other factors, so as to ensure that every employee of the Company can work in an environment of equality. At Keymed, all employees join the workforce voluntarily, with on boarding procedures conducted in accordance with internal procedures, ensuring legal compliance through verification of employee information. Child labor and any form of forced labor are strictly prohibited. During the employment period, the Company enters into labor contracts with its employees in accordance with the laws and regulations to specify matters such as staff remuneration and benefits, position, dismissal, and reasons for contract termination.

Keymed adheres to the principles of distribution according to work and equal pay for equal work. Every year, it assesses salary levels based on market conditions, job positions, and other factors, dynamically adjusts the salary structure, and provides fair and competitive compensation packages to attract and retain outstanding talents. The Company also establishes a welfare system to provide mandated benefits such as social insurance (including pension schemes, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing provident fund contributions, and additional benefits such as performance-based bonuses, various subsidies and festive gifts. The Company has purchased accident insurance for all employees, including interns, and has purchased supplementary medical insurance for all employees in Chinese mainland. Furthermore, the Company has opened a group-buying channel of commercial medical insurance for families of employees, so as to provide better health protection for employees and their families. The Company also applied for high-level talent subsidies from the national, provincial, municipal and district levels for qualified excellent talents to motivate the employees.

The Company complies with the *Labor Law of the People's Republic of China* on the eight-hour working hours and has formulated reasonable working and rest time arrangements, and all employees are entitled to paid holidays, statutory holidays, marriage leave, bereavement leave, maternity leave and other leave rights.

The Company complies with international standards, such as the *International Covenants of Human Rights* and the *Universal Declaration of Human Rights*, to improve the rules and standards of employment and establish a mechanism for handling employment violations (such as the use of child labor or forced labor), and organizes regular self-inspection and check of employment. In the event of non-compliance, the Company will immediately conduct an investigation, take remedial measures, and deal with the matter in accordance with the relevant laws and regulations to eliminate the recurrence of the incident.

Environmental, Social and Governance Report

Occupational Health and Safety

Keymed actively fulfills its primary responsibility for safe production and ensures the occupational health and safety of its employees. It has strictly abided by the *Law of the People's Republic of China on Work Safety* (《中華人民共和國安全生產法》), the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Provisions on the Supervision and Administration of Occupational Health at Work Sites* (《工作場所職業衛生監督管理規定》), and other laws and regulations. The Company continues to improve the environment, health and safety (“EHS”) management system. During the Reporting Period, the Company revised core safety management system documents such as the *EHS System Management Manual* (《EHS體系管理手冊》) and the *EHS Accident/Incident Management Procedure* (《EHS事故／事件管理規程》), added the *Fire Control Room Management Procedure* (《消防控制室管理規程》), and obtained ISO45001 Occupational Health and Safety Management System certification.

Keymed always prioritizes the personal safety of its employees above all its work, implementing full lifecycle EHS management that covers factory construction, product research and development, pilot testing and commercial production to prevent safety accidents. It is committed to creating a workplace with “zero accidents, zero injuries and zero occupational diseases”. The Company has established an EHS department which is equipped with a professional EHS management team composed of personnel with relevant professional qualifications such as national registered safety engineers. At the same time, the Company has established an EHS management committee, with the main responsible person serving as the director and heads from various departments serving as committee members. In order to ensure the soundness and effectiveness of the operation of the system, the Company regularly conducts internal audit and management review of the EHS system, focusing on the compliance of the EHS management system, the integrity of the system and the status of production site management. During the Reporting Period, the Company held 12 EHS thematic meetings, conducted multiple safety inspections, and achieved a rectification rate of 100%.

The Company has established a dual prevention mechanism, encompassing safety risk tiered control, as well as hidden risks investigation and management. We have also refined our risk prevention and resolution mechanisms, organized safety risk identification, and implemented targeted risk control measures for identified risks. Furthermore, the Company has set up an EHS observation and reporting mechanism, allowing employees to promptly report discovered hidden risks through an online reporting process. Additionally, we conduct monthly self-inspections of hidden risks across various departments, as well as comprehensive company-level inspections.

Environmental, Social and Governance Report

In terms of occupational disease prevention and control, Keymed strictly adheres to national occupational health and safety requirements, establishes a comprehensive occupational disease prevention and control system and related policies, and implements various measures to carry out occupational disease prevention and control work, including:

- Strictly adhere to the “three simultaneities” management requirements for occupational disease prevention facilities of construction projects, and conduct risk assessments for toxic and hazardous positions in new projects;
- Provide risk warnings and notifications to employees regarding occupational health, establish individual occupational health records for employees, and organize pre-employment, on-the-job, and off-the-job occupational health examinations;
- Post occupational hazard notices and warning signs in the workplace, and provide labor protection supplies that meet standards and usage requirements;
- During the Reporting Period, workplace occupational hazard factor inspections were conducted, and the annual declaration of occupational hazard factors was completed;
- In daily supervision, we conduct inspections on the provision of labor protection supplies and supervise their wearing, achieving closed-loop management of occupational health.

In addition, the Company continuously strengthens safety production and occupational health education and training, incorporating relevant content into the new employee training program. We also conduct various trainings covering occupational health and safety laws and regulations, first aid knowledge, fire evacuation, traffic safety, special equipment, chemical safety, etc., achieving a 100% coverage rate for safety training.

Environmental, Social and Governance Report

Case: Special EHS training for new employees

In July 2025, the Company organized two sessions of centralized EHS special training for new employees, covering a total of over 90 newly recruited employees, including recent graduates. The training systematically explained the Company's EHS management requirements, helping new employees fully understand safety norms and effectively enhancing their safety awareness, risk perception, and emergency response capabilities.



Special EHS training for new employees

Environmental, Social and Governance Report

Keymed has continuously improved its emergency response plan and prevention and control measures, organized emergency drills, and enhanced its emergency response capabilities and ability to handle sudden environmental incidents. At the same time, the Company strictly implements occupational disease and safety accident prevention measures to effectively safeguard the physical and mental health and safety well-being of its employees. During the Reporting Period, the Company organized a total of 8 safety emergency drills.

Case: Special training on fire safety and fire-fighting practical drills

In November 2025, the Company organized a special training session on fire safety and a practical fire-fighting drill, with the special invitation of professional instructors from the biological city fire station to provide guidance. The training adopted a combination of theoretical lectures and practical training, systematically explaining fire safety knowledge and guiding employees through practical fire-fighting drills, thereby enhancing their awareness of fire safety and practical emergency response capabilities.



Special training on fire safety and practical fire-fighting drills

Environmental, Social and Governance Report

Case: Fire accident and evacuation special emergency plan drill for all employees

On June 27, 2025, the Company conducted a fire incident and evacuation special emergency plan drill for all employees at the iBridge factory. This event closely aligned with the theme of the Safety Month of “Everyone Concerns about Safety, Everyone Knows Response in an Emergency”. Through practical drills, it effectively enhanced the fire safety awareness and emergency response and risk avoidance skills, self-rescue and mutual aid capabilities of all employees. Meanwhile, it comprehensively tested and verified the feasibility and effectiveness of the emergency plan.

2025年度消防疏散演练



Fire incident and evacuation special emergency plan drill

Environmental, Social and Governance Report

Training and Development

Keymed always regards the full cycle career development of employees and the construction of talent echelons as the core strategy, and continuously improves employees' professional abilities and overall quality through systematic training system and digital innovation tools. The Company strictly implements the *Training Course Survey and Training SOP* (《培訓課程調研及培訓SOP》), which forms a closed-loop control from demand research, class matching, disciplinary management to effectiveness assessment. The Company strictly implements pre-class demand survey, in-class discipline control and after-class two-way feedback mechanism through standardized process.

The Company has established a professional talent development plan at different levels based on characteristics of different levels and positions, with a view to enabling employees and enterprise to grow together. To adapt to the trend of digital learning, Keymed has also introduced the UMU online learning platform, deployed a full-process management project for sales, business, and fresh graduates, and established a learning material download center to facilitate employees' learning at any time.

Keymed's multi-type training plans and projects

Training plan	Trainee	Training content
Sailing Far Training	New employees	It introduces corporate history, vision, mission and core values to help them adapt to the new environment and team more quickly
Dream Sailing Station	Employees recruited on campus	It introduces workplace etiquette and mentality, talent policies, time management, etc., and invites professionals in the workplace to share their experiences, aiming to help employees improve the professional quality and skills in the workplace and enhance team cooperation and communication skills
Leading Manager Training	Leading managers	It introduces role recognition and transformation, time management and stress emotion management to enable leading managers to acquire more effective leadership skills
Technology Forum	Employees of various departments	It provides a free and open communication platform for employees of various departments to discuss technical issues and share experiences
Departmental Training and Skill Upgrading Training	Business departments such as commercialization, clinical and operation departments	It conducts relevant training to adapt to the business development of the departments and enhance employees' business capability

Environmental, Social and Governance Report

Case: Keymed's "High-Potential Representative Training and Empowerment Project – Pilot Program 1"

During the Reporting Period, Keymed launched the "High-Potential Representative Training and Empowerment Project – Pilot Program 1" training session. At the training session, multiple core departments conducted special sharing sessions on topics such as market access processes, financial awareness enhancement, and practical sales management experience. Participants were also organized to visit the R&D platform and production workshop on-site, gaining a deep understanding of the entire R&D and production process and effectively expanding their business horizons. As a core measure of the Company's commercial talent strategy, the "Pilot Program" is committed to empowering high-potential employees to break through their ability boundaries and forging future front-line management forces for the sales team.



"High-Potential Representative Training and Empowerment Project – Pilot Program 1" training session

Environmental, Social and Governance Report

Employee Care

Keymed actively builds a warmer working environment and further optimizes employee care measures. The Company introduced a transitional dormitory benefit for fresh graduates to provide a half-year accommodation arrangement to facilitate their smooth transition from campus to workplace. The Company also carried out celebration activities on holidays such as Christmas, Women's Day and employees' birthdays to enrich the lives of its employees, and provided them with welfare items such as Chinese New Year visit benefits, long-term service awards and wishes for newlyweds so as to express the recognition for their hard work and blessing. At the same time, the Company provided funeral leave and consolation payment to express our condolences and care. In addition, the Company provided female employees with gifts on Women's Day and established maternity and infant rooms for lactating women.

Keymed attaches great importance to the physical and mental health of its employees. It organizes a variety of employee activities, establishes clubs for sports such as badminton, basketball, and swimming, encourages employees to actively participate in sports activities to promote physical and mental health, values employee opinions, strengthens communication and exchanges with employees, enhances humanistic care and psychological counseling for employees, and improves the overall team cohesion.

Case: "Long-term Service Award Ceremony"

Every key milestone in the development of Keymed is inseparable from the diligent efforts of our long-serving employees. During the Reporting Period, the Company held a grand "Long-term Service Award Ceremony" to commend outstanding employees who have grown alongside the Company, including those who have been with the Company for three and five years. The award-winning employees include entrepreneurial veterans, business backbones, and role models who have dedicated themselves diligently in ordinary positions.



"Long-term Service Award Ceremony"

Environmental, Social and Governance Report

BENEVOLENT DEEDS NOURISH THE HEART, AND INCLUSIVENESS LEADS TO GREATNESS

Keymed adheres to a patient-centered approach, actively fulfills its corporate social responsibility, and is committed to enhancing the accessibility and affordability of high-quality drugs, thus fulfilling its original intention of providing inclusive healthcare through practical actions. It actively participates in social welfare, leveraging its professional expertise to convey health care, and contributes to areas including rural revitalization and emergency rescue.

Inclusive Healthcare

Keymed has always regarded improving the accessibility and affordability of innovative drugs as its original business intention and important commitment to patients. It has been deeply engaged in addressing unmet clinical needs of patients, developing more globally competitive innovative drugs, and benefiting more patients in China and even globally through innovation at source. We contribute to improving the overall health level of the population, reducing the burden on patients, and promoting the high-quality development of the pharmaceutical industry.

To enhance the accessibility of drugs, Keymed has partnered with major logistics and transportation providers to ensure efficient and stable drug delivery. The Company's drug supply has reached over 240 cities, serving more than 50 primary distributors, more than 600 pharmacies, and more than 1,600 hospitals, fully meeting patients' medication needs.

Case: Kangyueda (康悦達®) (Stapokibart) successfully included in the National Reimbursement Drug List

In December 2025, Keymed's self-developed national Class 1 new drug Kangyueda (康悦達®) (Stapokibart) was successfully included in the *National Reimbursement Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance (2025)* (《國家基本醫療保險、工商保險和生育保險藥品目錄(2025年)》). As the first domestically developed and approved IL-4R α humanized monoclonal antibody in China, this drug can be used to treat moderate-to-severe atopic dermatitis (AD) in adults, chronic rhinosinusitis with nasal polyps (CRSwNP) and seasonal allergic rhinitis.

Before being included in the medical insurance, patients' copay for Kangyueda (康悦達®) (Stapokibart) was RMB1,812 per vial, and a promotion policy of "buy two get one free" was offered. Since January 1, 2026, the medical insurance payment price of Kangyueda (康悦達®) (Stapokibart) has been reduced to RMB1,039 per vial. This adjustment significantly reduces the burden of medication on patients, enabling more patients in need to obtain innovative treatments at an affordable price.

Environmental, Social and Governance Report

Community Contributions

Keymed has been adhering to the concept of “Giving Back to Society and Creating Value Together” to integrate enterprise development with social responsibility deeply, and continued to explore sustainable public welfare practice model. The Company actively organized employees to participate in health and public welfare activities and took the initiative to seek opportunities to help the local community.

In response to the strategy of rural revitalization, Keymed purchased 5,000 kilograms of Red Fuji apples from farmers in Qixia, Yantai, Shandong Province through targeted procurement during the Reporting Period. The purchase helped local farmers solve the sale of 10% of their production, contributing to the promotion of rural economic prosperity. The Company has also actively participated in various public welfare activities, giving back to society with its endeavors in many aspects, such as health services and poverty alleviation through education. It carried out three patient assistance projects and donated a total of 62,427 boxes of Kangyueda (康悦达®) donated drugs, benefiting a total of 37,798 patients throughout the year.

Case: “Patient Education and Care Program – Nasal Health-related Patient Care Project”

Keymed is committed to medical public welfare. In April 2025, it supported the Beijing Public Health Foundation in launching the “Patient Education and Care Program – Nasal Health-related Patient Care Project”, investing approximately RMB1.09 million. This initiative aims to assist patients in better managing their diseases throughout the entire process, offering a range of care services such as disease follow-up, health education, and emotional and psychological support. By facilitating long-term standardized treatment for patients, the project aims to boost their confidence in treatment.



Nasal health-related education and publicity

Environmental, Social and Governance Report

GREEN DEVELOPMENT, CO-PROTECTION AND COEXISTENCE

Adhering to the concept of green development, Keymed continuously improves its environmental management system, promotes sustainable development with green momentum, scientifically manages waste gas, wastewater, and waste, and minimizes environmental footprint; actively promotes resource conservation and efficient energy utilization, while closely monitoring climate change risks, actively responding to climate change, and working with all parties to build a sustainable and beautiful home.

Environmental Management

Keymed has strictly complied with the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), the *Law of the People's Republic of China on Prevention and Control of Environment Pollution by Solid Waste* (《中華人民共和國固體廢物污染環境防治法》) and other relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and nonhazardous waste and reduction of significant impacts on the environment and natural resource. The Company has established a comprehensive environmental protection management system by formulating management rules such as the *Environmental Management Procedure* (《環境管理規程》), the *EHS Management Manual* (《EHS管理手冊》), and the *Environmental Protection Responsibility System* (《環保責任制》). During the Reporting Period, the Company continued to promote the standardized construction of the environmental management system, newly developed four environmental management documents including the *Operating Procedures for the Continuous Inactivation System in Workshop N* (《N車間連續滅活系統操作規程》), and revised six environmental management documents including the *Standard Operating Procedures for the Wastewater Treatment System* (《污水處理系統標準操作規程》), further refining environmental protection operating procedures to ensure effective implementation of various environmental protection requirements. In addition, the Company has obtained ISO14001 environmental management system certification.

With “protecting the environment and pursuing sustainable development” as its core philosophy, Keymed continues to advance the construction of its environmental management system. The Company has set up an EHS department, equipped with a professional safety and environmental management team led by the nationally certified safety engineers and experts from the Chengdu Occupational Safety and Health Association, and allocated part-time security and environmental protection personnel within each subsidiary's workshop to form a “headquarters-subsidiary” hierarchical management model to ensure the professionalism and effectiveness of the environmental management work. Through strict implementation of the *EHS Target Assessment Procedures* (《EHS目標考核規程》), the Company clearly defined the responsibility for safety and environmental protection at all levels, to realize the allocation of the responsibility to the positions and supervision to the person.

The Company sets environmental protection-related goals and regularly reviews their completion status. To ensure the achievement of these goals, the Company systematically implements plans and measures for pollution prevention, energy conservation, emission reduction, and ecological protection, aiming to minimize the negative impact of our operations on the environment. Through practical actions, we strive to safeguard the ecological environment.

Environmental, Social and Governance Report

Keymed's environmental protection goals

Environmental management matters	Goal	Status during the Reporting Period
Environmental pollution accident/incident	0	Achieved
Environmental complaint	0	Achieved
Environmental administrative penalty	0	Achieved
Compliance rate of wastewater, waste gas, and solid waste ("Three Wastes") discharge	100%	Achieved
Compliance rate of hazardous waste disposal	100%	Achieved

The Company has formulated the *Contingency Plan for Emergency Environmental Incidents* (《突發環境事件應急預案》) and filed with the environmental protection department. The Company has also issued the *EHS Accident Management Procedures* (《EHS事故管理規程》), *EHS Input Security Management Procedures* (《EHS投入保障管理規程》) and the *EHS Risk Identification and Evaluation Management Procedures* (《EHS風險辨識、評價管理規程》) and other documents to systematically establish an emergency management mechanism for sudden environmental incidents. At the same time, the Company continues to improve the environmental risk and hidden danger investigation mechanism. By regularly conducting environmental risk assessments, we continuously investigate and manage potential environmental risks and hazards, constantly improve prevention and control measures, and effectively enhance our ability to prevent and handle sudden environmental incidents.

To enhance environmental management capabilities, the Company continuously promotes employees' awareness of environmental protection, regularly organizes specialized training sessions on environmental protection, and actively participates in environmental protection activities organized by government departments and social organizations. This helps employees systematically grasp environmental regulations and technologies, providing talent support for the effective operation of the environmental management system.

Emission Management

Keymed has strictly abided by the *Law of the People's Republic of China on Prevention and Control of Environment Pollution by Solid Waste*, the *Law of the People's Republic of China on Prevention and Control of Water Pollution* and other relevant laws and regulations. The Company has also formulated sound internal management documents to systematically control Three Wastes discharge in the course of daily production. In the product development process, the Company has continued to adhere to the green production concept and strived to minimize the use of organic reagents, acids, alkalis, and other chemicals, to reduce the emission of pollutants from the source. Meanwhile, the Company has strictly required engineering contractors to implement environmental protection measures to minimize the environmental impact of construction activities.

Environmental, Social and Governance Report

Exhaust Gas Management

the Company only discharges volatile organic compounds (“VOCs”) during the production process, and controls its emission concentration below the limits outlined in relevant national and regional atmospheric pollution emission standards. The total emissions of VOCs can be neglected. During the Reporting Period, the Company’s exhaust gas emissions were mainly from mobile sources and were strictly managed according to the relevant emission requirements.

Wastewater Discharge Management

The Company has established a strict control system, implemented refined management in accordance with operating procedures, set up an online sewage monitoring system connected to the environmental protection bureau, and reported key pollutant monitoring data to the environmental protection bureau in real time. It has also invited third-party units to carry out environmental monitoring to ensure that wastewater discharge standards have been fully complied with. The Company has a wastewater treatment facility, including a bioactive wastewater inactivation system consisting of a wastewater collection tank and an inactivation tank. The system uses multiple treatment technologies to effectively reduce the content of hazardous substances in wastewater through in-depth treatment with high temperature, high pressure and industrial steam processes. After all wastewater generated from production has been pretreated by the Company’s internal wastewater system, it is delivered to the sewage treatment station in the office park for centralized treatment, which will eventually meet the standard for discharge. During the Reporting Period, the Company optimized the high-concentration wastewater treatment process and further improved the capacity of the general production wastewater treatment system, increasing it from 300 cubic meters per day to 500 cubic meters per day.

Waste Management

The Company continuously improves the *Waste Management Procedures* (《廢棄物管理規程》), refines the waste separation list of various departments, and implements standardized control over the entire process of the site selection, construction, and use of solid waste prevention and control facilities, as well as waste identification and collection, transfer and storage, and transportation and treatment.

Adhering to the principle of “minimization, recycling and harmless treatment”, and with the goal of reducing waste emissions, the Company implements a waste classification and management system to achieve effective management. For non-hazardous waste, the Company hands over the recyclables to professional organizations for treatment, such as recycling paper, plastics, metals and glass to form new raw materials, over 20 tons of non-hazardous waste were handed over to professional recycling units during the Reporting Period while the kitchen wastes and other wastes are handed over to the park or local environmental protection departments for centralized disposal. For hazardous waste, the Company has put in place a comprehensive control system, including the establishment of professional warehouse for hazardous waste, equipped with a cofferdam to block leaks and a device for collecting leaking liquids, complying with the criterion of “protection from wind, rain, seepage and sunlight”. In addition, a corresponding record has been established. The Company engages qualified professional units to treat hazardous waste. At the same time, the Company has set up video monitoring systems at its production places to perform real-time monitoring of all processes for the generation, storage, transfer and disposal of hazardous waste to ensure compliant disposal.

Environmental, Social and Governance Report

Resources and Energy Management

Keymed has strictly abided by the *Law of the People's Republic of China on Energy Conservation* (《中華人民共和國節約能源法》) and other relevant laws and regulations in the country and the place where the Company operates. It conducts energy conservation assessments for new projects as required and compiles the *Energy Conservation Evaluation Report* (《節能評價報告》). Meanwhile, it also continuously enhances its resources and energy management system, and set energy conservation goals and action plans to improve the efficiency of the use of energy and resources.

Energy Management

Keymed has established a complete energy measurement management system, and regularly analyses the efficiency of energy use and promptly rectifies the unexpected situation in a timely manner to continuously improve energy efficiency. In addition, Keymed actively adopts energy-saving equipment and technologies, and has successfully applied advanced technologies such as an air-cooled heat pump system and magnetic levitation chillers. Furthermore, the Company actively utilizes renewable energy by installing solar water heaters on the rooftops of some newly constructed plants and utilizing solar photovoltaic panels for lighting at construction sites. During the Reporting Period, the Company carried out thermal insulation reconstruction of industrial steam pipelines, reducing industrial steam loss by 104 tons per month. Additionally, energy supply was cut off to the discontinuous production pilot workshop after production ceased, reducing electric and thermal energy consumption.

Water Resources Management

Keymed is committed to enhancing the efficiency of water resource utilization, gradually establishing water consumption reduction targets, and promoting water-saving measures at all aspects. The Company develops a detailed water resource utilization plan each year, regularly records, tracks, and analyses water consumption data, identifies key water-saving processes, and formulates targeted action plans to ensure the achievement of water efficiency goals. It also continuously improves the water metering system, enhances water quality assessment, attaches great importance to the maintenance and repair of water pipes and facilities to effectively prevent leakage. During the Reporting Period, the Company upgraded the purified water preparation system, adding a concentrated water recovery device to recycle and reuse the reverse osmosis (RO) concentrated water, achieving water resource conservation.

The Company's production and operations mainly rely on municipal water supply, therefore it does not encounter any issues in sourcing water.

Environmental, Social and Governance Report

Green Operations

Keymed actively adheres to the concept of green operation, vigorously promotes the concept of green environmental protection in daily operations, encourages employees to practice green office practices, and adopts multiple energy-saving and environmental protection measures:

- Replace energy-saving equipment: Gradually replace old, high-energy-consumption office equipment with energy-saving products to improve energy efficiency;
- Deepen paperless office: Further reduce the use of paper documents, utilize digital platforms such as internal OA systems, and encourage employees to adopt double-sided printing whenever paper is necessary;
- Strengthen resource recycling: Set up properly classified trash bins in the office area, and establish a comprehensive recycling process and supervision mechanism to ensure effective resource recycling and utilization;
- Encourage green commuting: Actively promote the concept of green travel;
- Advocate conservation: Encourage setting reasonable air conditioner temperatures in public areas; require employees to check and turn off lighting and air conditioners in both personal and public areas before off-duty; encourage employees to eat reasonably by taking small portions but multiple times, thereby not wasting food.

Addressing Climate Change

As global warming continues to intensify and extreme weather events become increasingly frequent, the impact of global climate change on businesses and society is also expanding. Against this backdrop, enterprises urgently need to enhance their climate response capabilities and strengthen their climate resilience. Keymed actively responds to the international consensus of the *Paris Agreement* and the China's strategic goals of "carbon peaking and carbon neutrality" ("**dual-carbon**"), and in accordance with relevant guidelines such as the *ESG Reporting Code*, systematically identifies and assesses climate-related risks and opportunities, formulates targeted response strategies and measures to effectively manage climate risks, and seize opportunities for low-carbon transformation. The Company comprehensively manages climate-related matters and information disclosure work around the four dimensions of "Governance – Strategy – Risk management – Indicators and objectives".

Climate Governance

The Company has incorporated climate issues into its ESG governance framework, with the Board responsible for integrating climate risks into its comprehensive risk management system and overseeing its implementation. The ESG Working Group is responsible for effectively managing environmental, social and climate-related matters within the Company's business scope, including but not limited to identifying and assessing climate-related risks and opportunities, formulating strategies to address climate change, etc. The ESG Working Group also works closely with various departments and subsidiaries of the Company to advance the implementation of climate strategies, and regularly reports to management on progress towards achieving goals and work progress.

Environmental, Social and Governance Report

Climate Strategy

The Company pays close attention to climate-related risks and opportunities, as well as their impact on our business. We identify and assess the potential impacts and development opportunities of climate-related issues on the Company, and formulate response strategies. The table below lists the main climate-related risks and opportunities that we have identified and assessed.

Impacts and Response Strategies of Main Climate Risks and Opportunities

Climate change-related risks			
Type	Climate risk	Potential financial impacts	Response strategies
Physical risks	Extreme weather conditions such as typhoons, floods, fires, and equipment, etc. or heatwaves may result in damage to production facilities, damage or suspension of equipment, or disruption of raw materials supply, etc.	Production disruptions due to damage to facilities or disruptions in the supply chain lead to higher operating costs and lower revenues	- Formulating the <i>Flood Control Emergency Plan</i> (《防汛應急預案》), Production Emergency Plan, and other documents; setting up an emergency leadership team and specifying the responsibilities of departments at all levels; - Strengthening the monitoring of extreme weather, timely understand meteorological information, and designate special personnel to receive and issue early warning information during the flood season, so as to enhance emergency response; - Equipping with sufficient flood prevention supplies, such as sandbags, drainage pumps, life jackets, etc., and conduct regular inspections and maintenance; - Coping with the increase in electricity load during high-temperature weather and avoid operational interruptions, a dual-circuit power supply system is adopted, diesel generators are equipped, and emergency power supplies are provided for key equipment; - Allocating heatstroke prevention supplies and emergency medicine; - Monitoring the risks posed by extreme weather conditions to upstream and downstream enterprises to ensure the security of the supply chain
Transition risks	The government may introduce stricter environmental and safety regulations	Due to the failure to comply with relevant laws and regulations in a timely manner, compliance costs and operating costs increase	Closely tracking the latest laws, regulations, and policy developments, promptly implement various compliance requirements, and effectively avoid unnecessary costs arising from violations

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Climate change-related opportunities			
Type	Climate opportunities	Potential financial impacts	Response strategies
Energy sources	Usage of low-carbon or renewable energy sources	Increasing the proportion of low-carbon or renewable energy usage will help reduce energy costs	Adjusting the energy usage structure to increase the proportion of renewable energies and keeping abreast of the latest national renewable energy policies to explore the feasibility of using low-carbon energy
Resilience	Energy substitution or diversification	By planning for energy diversity, the Company can enhance resilience to climate change, which will help reduce energy costs	Seeking alternative energy sources, such as installing solar water heaters on rooftops, using solar power at construction sites and purchasing green electricity, etc.; and encouraging employees and partners to participate in energy-saving and emission reduction activities

Climate Risk Management

The Company integrates climate risk management into its risk management processes by analyzing the business value chain and complying with relevant guidelines, including the latest climate information disclosure guidance from the Stock Exchange. Also, the Company identifies, assesses and manages the climate-related risks and opportunities using scenario analysis, with reference to the Turquoise Scenario (which is consistent with scenario in the *Paris Agreement* with a global temperature increase of 1.5°C to 2°C by 2100) and the Brown Scenario (greenhouse scenario with a global temperature increase of 4°C to 5°C by 2100).

Climate Indicators and Targets

The Company continues to promote greenhouse gas emission reduction and energy efficiency improvement, establishes a complete energy measurement management system to track energy consumption, formulates relevant energy conservation and emission reduction targets, and implements energy conservation and emission reduction measures. For details, please refer to the “Resources and Energy Management” subsection of this Report. For greenhouse gas emission data, please refer to the “Environmental Performance” subsection of this Report.

Environmental, Social and Governance Report

ESG KEY PERFORMANCE

Environmental Performance

Indicators	Unit	2025	2024
Atmospheric pollutants¹			
Nitrogen oxides	kg	286.54	358.10
Sulphur oxides	kg	0.35	0.37
Carbon monoxide	kg	190.02	203.89
Particulate matters (PM2.5, PM10)	kg	6.35	8.07
Wastewater and waste			
Wastewater discharge	Tons	87,487.00	43,441.90
Total discharge of hazardous wastes ²	Tons	179.06	147.48
Discharge intensity of hazardous wastes	Tons/RMB10,000 (Revenue)	0.0025	0.0034
Total discharge of non-hazardous wastes ³	Tons	453.80	349.12
Discharge intensity of non-hazardous wastes	Tons/RMB10,000 (Revenue)	0.0063	0.0082
Greenhouse gas			
Scope 1 emissions ⁴	tCO ₂ e	57.62	68.97
Scope 2 emissions ⁵	tCO ₂ e	19,531.49	15,868.70
Scope 3 emissions ⁶	tCO ₂ e	941.76	/
Total greenhouse gas (Scope 1 and 2) emissions	tCO ₂ e	19,589.12	15,937.67
Greenhouse gas emission (Scope 1 and 2) intensity	tCO ₂ e/RMB10,000 (Revenue)	0.27	0.37

¹ The atmospheric pollutants mainly came from the use of road mobile sources and diesel generators, and the calculation method and emission coefficient of which referred from the *Technical Guide for Compiling the Emission List of Road Mobile Pollution Sources (Trial)* (《道路移動污染源排放清單編製技術指南(試行)》).

² Hazardous wastes mainly include laboratory waste liquid, waste culture dish and others (such as waste drugs, expired chemicals, nutrient wastes and etc.).

³ Non-hazardous wastes mainly consist of kitchen wastes and domestic wastes.

⁴ Mainly generated from the use of fossil fuels such as road mobile sources and diesel generators. For the calculation method and emission coefficient under Scope 1, please refer to the *Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emission from Land Transport Enterprises (Trial)* (《陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission.

⁵ Mainly generated from the use of indirect energy such as electricity and steam. For the heat emission coefficient under Scope 2, please refer to the *Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emission from Industrial and Other Industrial Enterprises* (《工業其他行業企業溫室氣體排放核算方法與報告指南》); for the electricity emission coefficient, please refer to the *Announcement on Release of Carbon Dioxide Emission Factors for Electricity in 2023* (《關於發佈2023年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment.

⁶ The newly collection indicators for 2025 primarily generate from business-related air travel. The calculation method for Scope 3 is based on the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)* (《溫室氣體核算體系:企業價值鏈(範圍3)核算與報告標準(2011年)》), and for the emission factors, please refer to relevant materials from the International Civil Aviation Organization.

Environmental, Social and Governance Report

Indicators	Unit	2025	2024
Energy consumption⁷			
Direct energy consumption			
Gasoline	Liter	15,565.56	15,967.94
Diesel	Liter	8,253.01	12,297.66
Total direct energy consumption	1,000 kWh	226.19	269.83
Indirect energy consumption			
Purchased electricity	1,000 kWh	23,264.07	19,819.08
Purchased steam	1,000 kWh	18,150.47	9,017.58
Total indirect energy consumption	1,000 kWh	41,414.54	28,836.66
Total energy consumption	1,000 kWh	41,640.73	29,106.49
Energy consumption intensity	1,000 kWh/RMB10,000 (Revenue)	0.58	0.68
Water resources			
Total water consumption	Tons	249,529.00	189,491.00
Total water consumption intensity	Tons/RMB10,000 (Revenue)	3.48	4.43
Papers			
Paper (A3, A4) consumption	Tons	19.43	15.58
Packaging materials			
Total packaging materials ⁸	Tons	23.36	13.67
Packaging material intensity	kg/RMB10,000 (Revenue)	0.00033	0.32

⁷ Calculations were made in accordance with the calculation methods and coefficients set out in "Appendix 2: Reporting Guidance on Environmental KPIs" to *How to Prepare an ESG Report* released by the Stock Exchange, and the *Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emission from Industrial and Other Industrial Enterprises (Trial)* (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission.

⁸ Packaging materials include cartons, plastic, and other materials.

Environmental, Social and Governance Report

Social Performance

Indicators		Unit	2025	2024
Employment⁹				
Number of employees				
Total workforce		Person	1,625	1,258
Employees by gender	Male	Person	689	536
	Female	Person	936	722
Employees by age group	30 and below	Person	909	739
	31-40	Person	579	411
	41-50	Person	123	95
	Over 51 (inclusive)	Person	14	13
Employees by management structure	Senior management	Person	68	65
	Intermediate management	Person	249	212
	General staff	Person	1,308	981
Employees by region	Chinese mainland	Person	1,619	1,251
	Overseas	Person	6	7
Employees by employment type	Full-time staff	Person	1,625	1,258
	Part-time staff	Person	0	0
Employee turnover				
Total employee turnover rate¹⁰		%	28.12	20.10
Employees turnover by gender	Male	%	13.78	9.31
	Female	%	14.34	10.79
Employees turnover by age group	30 and below	%	17.17	10.92
	31-40	%	8.68	7.00
	41-50	%	1.97	2.00
	Over 51 (inclusive)	%	0.31	0.20
Employees turnover by region	Chinese mainland	%	28.00	20.10
	Overseas	%	0.12	0

⁹ Number of employees and turnover rate are as of the end of the Reporting Period.

¹⁰ The percentage was calculated by multiplying the number of employees leaving office/total number of employees * 100% according to the suggestions on data calculation methods in "Appendix 3: Reporting Guidance on Social KPIs" of *How to Prepare an ESG Report* of the Stock Exchange.

Environmental, Social and Governance Report

Indicators		Unit	2025	2024
Health and safety				
Number of work-related fatalities		Person	0	0
Work-related fatality rate ¹¹		%	0	0
Lost days due to work injury		Day	0	0
Safety training coverage		%	100	100
Training and development				
Total number of trainees		Person	2,215	1,258
Percentage of employees trained¹²				
Percentage of employees trained by gender	Male	%	50.43	42.61
	Female	%	49.57	57.39
Percentage of employees trained by management structure	Senior management	%	2.71	5.17
	Intermediate management	%	7.40	16.85
	General staff	%	89.89	77.98
Average training hours¹³				
Average training hours by gender	Male	Hour	127	77
	Female	Hour	145	80
Average training hours by management structure	Senior management	Hour	44	16
	Intermediate management	Hour	96	64
	General staff	Hour	141	77

¹¹ The number and rate of work-related fatalities in the Company over the past three years have both been zero.

¹² It is calculated according to the suggestions on data calculation methods in “Appendix 3: Reporting Guidance on Social KPIs” of *How to Prepare an ESG Report* of the Stock Exchange, and the formula is number of employees trained by gender and by management structure/total number of trainees*100%.

¹³ It is calculated according to the suggestions on data calculation methods in “Appendix 3: Reporting Guidance on Social KPIs” of *How to Prepare an ESG Report* of the Stock Exchange, and the formula is training hours of employees by gender and by management structure/total number of employees.

Environmental, Social and Governance Report

Indicators	Unit	2025	2024
Supply chain management			
Number of suppliers by geographical region			
East China	/	320	242
Southwest	/	177	160
North China	/	116	83
South China	/	41	45
Central China	/	15	6
Northwest	/	6	4
Northeast	/	7	4
Overseas	/	3	3
Total	/	685	547
Product responsibility			
Percentage of products subject to recalls for safety and health reasons	%	0	0
R&D and innovation			
Patents granted during the Reporting Period	/	15	5
Number of valid patents during Reporting Period	/	35	/
Total number of patents applied	/	249	132
Total number of patents granted	/	35	19
Anti-corruption			
Receipt of any corruption-related legal cases involving the Company or its employees, such as corruption, bribery, extortion, fraud and money laundering	Case	0	0

Environmental, Social and Governance Report

THE STOCK EXCHANGE'S ESG REPORTING CODE CONTENT INDEX

Subject Areas, Aspects, Mandatory Disclosure, General Disclosures and KPIs		Relevant Chapter or Remarks
Mandatory Disclosure		
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement; ESG Governance Structure
Reporting Principles	A description of, or an explanation on, the application of the reporting principles in the preparation of the ESG Report.	About the Report; Stakeholder Communication; Materiality Issue Assessment
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG Report and describing the process used to identify which entities or operations are included in the ESG Report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report

Environmental, Social and Governance Report

Environmental Areas

Aspect A1: Emissions

General Disclosure	Information on:	Environmental Management;
	(a) the policies; and	Emission Management
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	ESG Key Performance
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	ESG Key Performance
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emission Management
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emission Management

Aspect A2: Use of Resources

General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resources and Energy Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	ESG Key Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Resources and Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resources and Energy Management
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	ESG Key Performance

Environmental, Social and Governance Report

Environmental Areas

Aspect A3: The Environment and Natural Resources

General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Management; Emission Management; Resources and Energy Management
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management; Emission Management; Resources and Energy Management

Social Areas

Employment and Labor Practices

Aspect B1: Employment

General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment Management; Employee Care
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	ESG Key Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance

Environmental, Social and Governance Report

Social Areas

Employment and Labor Practices

Aspect B2: Health and Safety

General Disclosure	Information on:	Occupational Health and Safety
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	ESG Key Performance
KPI B2.2	Lost days due to work injury.	ESG Key Performance
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

Aspect B3: Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management and so on).	ESG Key Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance

Aspect B4: Labor Standards

General Disclosure	Information on:	Employment Management
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Management

Environmental, Social and Governance Report

Social Areas

Operating Practices

Aspect B5: Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	ESG Key Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how the practices are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Aspect B6: Product Responsibility

General Disclosure	Information on:	Information Security and Privacy Protection;
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Quality; Intellectual Property Protection;
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Quality
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Quality
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection

Environmental, Social and Governance Report

Social Areas

Operating Practices

Aspect B7: Anti-corruption

General Disclosure	Information on:	Business Ethics
	(a) the policies; and	
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Business Ethics; ESG Key Performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics

Community

Aspect B8: Community Investment

General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Contributions
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Contributions
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Contributions

Environmental, Social and Governance Report

Part D: Climate-related Disclosures

(I) Governance	Governance	Addressing Climate Change
(II) Strategy	Climate-related risks and opportunities	Addressing Climate Change
	Business model and value chain	Addressing Climate Change
	Strategy and decision-making	Addressing Climate Change
	Financial position, financial performance, and cash flows	Addressing Climate Change
	Climate resilience	Addressing Climate Change
(III) Risk management	Risk management	Addressing Climate Change
(IV) Metrics and targets	Greenhouse gas emissions	ESG Key Performance
	Climate-related transition risks	Addressing Climate Change
	Climate-related physical risks	Addressing Climate Change
	Climate-related opportunities	Addressing Climate Change
	Capital utilization	Addressing Climate Change
	Internal carbon pricing	Addressing Climate Change
	Remuneration	In the future, the Company will actively consider incorporating climate-related factors into the compensation mechanism based on actual operational conditions
	Industry metrics	Addressing Climate Change
	Climate-related targets	Addressing Climate Change
	Applicability of cross-sector metrics and industry metrics	Addressing Climate Change

Report of Directors

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the in-house discovery and development of innovative biological therapies in the autoimmune and oncology therapeutic areas. An analysis of the Group's revenue and operating results for the year ended December 31, 2025 by its principal activities is set out in note 4 to the consolidated financial statements of the Group.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), 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 annual report. These discussions form part of this annual report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Significant 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".

PRINCIPAL RISKS AND UNCERTAINTIES

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

- its financial position;
- its ability to obtain additional financing to fund its operations;
- its ability to develop and commercialise its drug candidates, all of which are in pre-clinical or clinical development;
- its ability to identify additional drug candidates;
- 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 candidate.

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.

Report of Directors

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. 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".

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

FINANCIAL RESULTS

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

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

FINAL DIVIDENDS

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

DIVIDEND POLICY

The Company currently expects to retain all future earnings for use in the operation and expansion of the business and do not anticipate paying cash dividends in the foreseeable future. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman Companies Act. The declaration and payment of any dividends in the future will be determined by the Board, in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on June 26, 2026. Notice of the AGM and all other relevant documents will be published and despatched to the Shareholders in due course.

In order to determine the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from June 23, 2026 to June 26, 2026, both days inclusive, during which period no transfer of shares will be registered. Shareholders whose names appear on the register of Shareholders of the Company on June 26, 2026 will be entitled to attend and vote at the AGM. All transfer documents of the Company accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on June 22, 2026.

Report of Directors

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended December 31, 2025, the Group's five largest suppliers accounted for 28.4%, as compared to 24.4% of the Group's total purchases for the year ended December 31, 2024. The Group's single largest supplier accounted for 12.5% of the Group's total purchase for the year ended December 31, 2025, as compared to 8.5% for the year ended December 31, 2024.

During the year ended December 31, 2025, none of the Directors or any of their close associates or any Shareholders (which, to the knowledge of the Directors, own more than 5% of total issued Shares of the Company) had any interest in the Group's five largest suppliers.

During the year ended December 31, 2025, revenue from the five largest customers accounted for 59.6% (2024: 92%) of the Group's total revenue and the Group's largest customer for the year ended December 31, 2025 accounted for approximately 32.2% (2024: 47%) of the Group's total revenue amount for the same year.

During the year ended December 31, 2025, 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 Share capital, has any interest in the Group's customers.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the share capital of the Company and details of the Shares issued during the Reporting Period are set out in note 31 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company did not retain any profits under IFRSs as reserves available for distribution to our equity shareholders.

DONATIONS

During the year ended December 31, 2025, the Group made charitable donations of approximately RMB22,403,000 (2024: approximately RMB5,436,000).

DEBENTURES

The Group did not issue any debentures during the Reporting Period.

Report of Directors

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report are:

Executive Directors

Dr. Bo CHEN
Dr. Changyu WANG
Dr. Gang XU

Non-executive Directors

Mr. Qi CHEN
Dr. Min Chuan WANG
Mr. Yilun LIU

Independent non-executive Directors

Prof. Xiao-Fan WANG
Prof. Yang KE
Mr. Cheuk Kin Stephen LAW

In accordance with Article 16.18 of the Articles of Association, at each annual general meeting 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 by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office. Accordingly, each of Dr. Changyu WANG, Dr. Gang XU and Mr. Qi CHEN shall retire from office by rotation at the AGM and, being eligible, has offered themselves for re-election as Director at the AGM.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has entered into a service contract with the Company for a term of three years. Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company for a term of three years. The above appointments are always subject to the provisions of retirement and rotation of directors under the Articles of Association.

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.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the Reporting Period.

Report of Directors

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director of the Company or an entity connected with a Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party during the Reporting Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

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

Long positions in the Shares or underlying Shares of the Company

Name of Director/ Chief executive	Capacity/Nature of Interest	Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding in the Company (%)
Dr. Bo CHEN	Interest in controlled corporation ⁽²⁾	75,151,482(L)	25.16

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Dr. Bo CHEN is interested in approximately 66.04% of the shareholdings of Moonshot Holdings Limited ("Moonshot"). Dr. Changyu WANG, Dr. Gang XU and Dr. Qian JIA, through their respective family trust, are interested in 12.63%, 13.37% and 7.96% of the equity interest in Moonshot, respectively.

Save as disclosed above, as at December 31, 2025, to the best knowledge of the Directors or chief executive of the Company, 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 its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Report of Directors

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors of the Company or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

As at December 31, 2025, so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or 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 Shares ⁽¹⁾	Approximate Percentage of Shareholding (%)
Moonshot ⁽²⁾	Beneficial interest	75,151,482(L)	25.16

Notes:

- (1) The letter "L" denotes the person's long position in the Shares
- (2) Dr. Bo CHEN is interested in approximately 66.04% of the shareholdings of Moonshot. Dr. Changyu WANG, Dr. Gang XU and Dr. Qian JIA, through their respective family trust, are interested in 12.63%, 13.37% and 7.96% of the equity interest in Moonshot, respectively.

Save as disclosed above, as at December 31, 2025, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position 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.

Report of Directors

RESTRICTED SHARE UNIT SCHEMES

2021 RSU Scheme

The Company has adopted the 2021 RSU Scheme by a board resolution on April 5, 2021. The following is a summary of the principal terms of the 2021 RSU Scheme.

(a) Purpose of the 2021 RSU Scheme

The purposes of this 2021 RSU Scheme are to incentivize eligible participants in the 2021 RSU Scheme (the RSU Participants as defined below) for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company.

(b) Participants

Subject to the requirements under Chapter 17 of the Listing Rules, persons eligible to receive RSUs under the 2021 RSU Scheme are employees or officers of the Group, including executive, non-executive and independent non-executive directors, any person or entity that provides research, development, consultancy and other technical or operational or administrative support to the Group; and any other persons who, in the sole opinion of the Board, have contributed or will contribute to the Company and/or any of its Subsidiaries (the “**RSU Participant(s)**”, for the purpose of this sub-section only).

(c) Awards

An award pursuant to the 2021 RSU Scheme (an “**Award(s)**”, for the purpose of this sub-section only) gives a RSU Participant a conditional right when the relevant restricted share unit (an “**RSU(s)**”, for the purpose of this sub-section only) vests to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of exercise of the RSU, less any tax, stamp duty and other charges applicable, as determined by our Board in its absolute discretion. Each RSU represents one underlying Share.

(d) Term

Subject to the termination provision of the 2021 RSU Scheme, it shall remain valid and effective until July 7, 2031. The remaining life of the 2021 RSU Scheme is approximately 5 years and 3 months as at the date of this report. Upon the expiry of the 2021 RSU Scheme, no further Awards will be granted, but the provisions of the 2021 RSU Scheme shall in all other respects remain in full force and effect and Awards that are granted during the term of the 2021 RSU Scheme may continue to be exercisable in accordance with their terms of issue.

The Company by ordinary resolution at general meeting or the Board may at any time terminate the operation of the 2021 RSU Scheme and in such event no further Awards will be granted but in all other respects the provisions of the RSU Scheme shall remain in full force and effect in respect of RSU which are granted during the life of the 2021 RSU Scheme and which remain unvested immediately prior to the termination of the operation of the scheme.

Report of Directors

(e) Grant and Acceptance of Awards

On and subject to the terms of the 2021 RSU Scheme and the terms and conditions that the Board imposes pursuant thereto, the Board shall be entitled at any time during the life of the 2021 RSU Scheme to make a grant to any RSU Participant, as the Board may in its absolute discretion determine.

Awards may be granted on such terms and conditions (e.g. by linking the vesting of their RSU to the attainment or performance of milestones by any member of the Group, the grantee or any group of RSU Participants) as the Board may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the 2021 RSU Scheme.

A grant shall be made to a RSU Participant in such form as the Board may from time to time determine (the **"Notice of Grant"**, for the purpose of this sub-section only) and such grant shall be subject to the terms as specified in the 2021 RSU Scheme. The RSU Participant shall undertake to hold the Award on the terms on which it is granted and be bound by the provisions of the 2021 RSU Scheme. Such Award shall remain open for acceptance by the RSU Participant to whom a grant is made for a period to be determined by the Board, provided that no such grant shall be open for acceptance after July 7, 2031 or after the RSU Scheme has been terminated in accordance with the provisions hereof. To the extent that the Award is not accepted within the period determined by the Board, it will be deemed to have been irrevocably declined and shall immediately lapse.

If the RSU Participant accepts the offer of grant of RSU(s) by signing the Notice of Grant, he is required to sign an acceptance notice and return it to the Company within the period specified and in a manner prescribed in the Notice of Grant. Upon the receipt from the RSU Participant of a duly executed acceptance notice, the RSU(s) is deemed granted to such RSU Participant from the date of the Notice of Grant, and the RSU Participant becomes a grantee (the **"Grantee"**, for the purpose of this sub-section only) in the 2021 RSU Scheme. The Notice of Grant sets out that the RSU Participants should undertake that they will not, inter alia, offer, sell or otherwise transfer or dispose of any vested Shares for a period ending on a date which is 365 days after the vesting of any Shares under the 2021 RSU Scheme.

(f) Vesting

The Board has the sole discretion to determine the vesting criteria, conditions and the time for any grant of Award(s) to any Grantee (including, if applicable, a purpose price of shares awarded), which may also be adjusted and re-determined by the Board from time to time. If the vesting conditions are not satisfied or waived by the Board, the RSU shall be cancelled automatically on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion.

Report of Directors

(g) Restriction on Grant of Awards

The Board may not grant any Awards where (a) the requisite approvals for that grant from any applicable regulatory authorities have not been obtained; (b) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the Awards or in respect of the 2021 RSU Scheme, unless the Board determines otherwise; (c) where granting the Award would result in a breach by the Company, its subsidiaries or any of the directors of any applicable securities laws, rules or regulations; or (d) where such grant of Award would result in a breach of the limits of the 2021 RSU Scheme. Any Awards granted under the 2021 RSU Scheme and any other share scheme (as defined under the Listing Rules) to a specific participant (excluding any options and awards lapsed in accordance with the terms of such scheme) in a 12-month period up to and including the date of an Award shall not exceed 1% of the total issued Shares of the Company unless such Award is approved by the Shareholders of the Company (with the Participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting).

Further, no grant shall be made to, nor shall any grant be capable of acceptance by, any RSU Participant at a time when the RSU Participant would or might be prohibited from dealing in the Shares by any applicable rules, regulations or laws. In particular, where any Award is proposed to be granted to a director of any members of the Group, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (a) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

Any grant of an Award to any connected person (as defined in the Listing Rules), or any of their respective associates (as defined in the Listing Rules), shall be subject to the prior approval of the independent non-executive directors (excluding the independent non-executive director who is the proposed Grantee of the Awards in question) and shall otherwise be subject to compliance with the requirements of the Listing Rules. Notwithstanding the foregoing, any grant of an Award to a director pursuant to Rule 14A.73(6) of the Listing Rules will be exempted from reporting, announcement and independent Shareholders' approval requirements if the Award forms part of the relevant director's remuneration under his/her service contract.

(h) General and Maximum Limit

The maximum number of Shares which may be granted under the RSU Scheme is 17,976,153, representing approximately 6.02% of the number of issued Shares of the Company as of December 31, 2025. As of January 1, 2025 and December 31, 2025, the total number of Shares available to be awarded under the 2021 RSU Scheme is 9,794,745 Shares and 9,403,271 Shares (representing approximately 3.1% of the issued Shares as at the date of the annual report), respectively. All of the Shares were held by Keymed Talent Success Trust, a trust established for the administration of the 2021 RSU Scheme, through Eagle Hero Management Limited. No new Shares may be allotted pursuant to the 2021 RSU Scheme.

Report of Directors

Set forth below are particulars of the Awards granted pursuant to the 2021 RSU Scheme:

Participant	Grant Time	Year of grant	Number of awards					Unvested as of December 31, 2025
			Unvested as of January 1, 2025	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed during the Reporting Period	Cancelled during the Reporting Period	
Employees (excluding Directors) ⁽¹⁾	Apr 5, 2021 – Dec 24, 2021 ⁽²⁾	2021	951,155	–	951,155	–	–	–
	Jan 4, 2022 – Dec 23, 2022 ⁽²⁾	2022	465,847	–	232,214	105,000	–	128,633
	Apr 3, 2023 – Oct 10, 2023 ⁽²⁾	2023	885,909	–	458,777	32,248	–	394,884
	Jan 4, 2024 – Oct 10, 2024 ⁽²⁾	2024	1,050,880	–	200,937	175,534	–	674,409
	Jan 4, 2025 – Oct 10, 2025 ⁽²⁾	2025	–	819,256	–	115,000	–	704,256
	Total		3,353,791	819,256	1,843,083	427,782	–	1,902,182
Including: top five highest paid employees	Apr 5, 2021 ⁽²⁾	2021	212,731	–	212,731	–	–	–
	May 26, 2022– Aug 15, 2022 ⁽²⁾	2022	125,459	–	62,730	–	–	62,729
	Apr 3, 2023 ⁽²⁾	2023	261,336	–	261,336	–	–	–
	Apr 3, 2025 ⁽²⁾	2025	–	136,795	–	–	–	136,795
	Total		599,526	136,795	536,797	–	–	199,524

Notes:

- (1) None of the grantees were Directors, chief executive or substantial shareholders of the Company, or their respective associates.
- (2) The RSUs have vesting terms of 4 years from the grant date. The RSUs shall be vested according to the vesting schedule: 25% of the total number of RSUs shall be vested on the first anniversary of the grant date and the remaining 75% of the total number of RSUs shall be vested in three substantially equal annual instalments, with the first instalment vested on the second anniversary of the grant date, and then on up to the fourth anniversary of the grant date. The RSUs are granted with the purchase price of zero. The weighted average closing price of the awards exercised during the Reporting Period was HK\$54.45.
- (3) During the Reporting Period, the details of the closing price of Shares and fair value of awards at the date of grant per Share are as follows:

Date of grant	Closing price of Shares immediately before date of grant (HKD)	Fair value of awards at the date of grant per Share (HKD)
4-Jan-25	29.05	28.7
3-Apr-25	48.1	48
10-Jul-25	45.60	45.50
10-Oct-25	71.25	70.45

The accounting standard and policy adopted to estimate the fair value of the awards at the date of grant per Share is the same as that of the financial year ended December 31, 2024. Please refer to the note 2.4 to the consolidated financial statements for details.

Report of Directors

2022 RSU Scheme

The Company has adopted the 2022 RSU Scheme by a board resolution on January 21, 2022. The following is a summary of the principal terms of the 2022 RSU Scheme.

(a) Purpose of the 2022 RSU Scheme

The purposes of the 2022 RSU Scheme are to recognize and motivate the contributions by Participants (as defined below) of the 2022 RSU Scheme and give incentives thereto in order to retain them, as well as to attract suitable personnel for further development of the Group.

(b) Participants

Participants of the 2022 RSU Scheme include employees or officers (including directors) of the Group, including any prospective employees (who receives the Grant as an inducement to join the Group) (collectively, the “**Participant(s)**”, for the purpose of this sub-section only).

(c) Awards

The 2022 RSU Scheme is subject to the administration of the 2022 ESOP scheme management committee (the “**Committee**”) as appointed by the Board. The Committee may at any time during the term of the 2022 RSU Scheme make an award (the “**Award(s)**”, for the purpose of this sub-section only) of conditional rights to either Shares or equivalent value of cash (the “**RSU(s)**”, for the purpose of this sub-section only) to any selected Participant at its absolute discretion. An Award shall be made to a Participant by a notice of grant setting out, among other things, the terms and conditions of such Award. Any Award to the Directors or senior management of the Group must first be approved by the Remuneration Committee of the Board. If a Participant accepts the Award, he/she is required to sign the acceptance notice and return it to the Company within the period specified and in a manner prescribed in the notice of grant. Each Participant shall pay RMB1.00 as the award price to accept the Awards granted to such Participant.

(d) Term

The 2022 RSU Scheme shall remain valid and effective until the termination date, which shall be on the earlier of (i) January 20, 2032; or (ii) such date of early termination as determined by the Board or the Committee provided that no further RSUs will be offered after such termination but in all other respects the provisions of the 2022 RSU Scheme shall remain in full force and effect in respect of RSUs which are granted during the life of the 2022 RSU Scheme and which remain unvested immediately prior to the termination of the operation of the 2022 RSU Scheme. The remaining life of the 2022 RSU Scheme is approximately 5 years and 10 months as at the date of this report.

(e) Vesting

The Committee may, from time to time while the RSUs are in force and subject to all applicable laws, determine in its sole discretion such vesting criteria and conditions or periods for the Award to be vested. All of such vesting conditions (including payment of any exercise price) and periods (including the vesting date) shall be set out in the relevant notice of grant issued to each Grantee. The Committee may determine at its sole discretion, the exercise price as may be applicable to each RSU.

Report of Directors

For the purposes of vesting of the RSU(s), the Committee may direct and procure the trustee (the “**Trustee**”, for the purpose of this sub-section only) of the 2022 RSU Scheme to release from the underlying trust (the “**Trust**”, for the purpose of this sub-section only) of the 2022 RSU Scheme the RSU(s) to the Grantee by transferring the number of the RSUs to the Grantee in such manner as determined by it from time to time. The Committee will send a vesting notice to the relevant Grantee and upon receiving such notice, the Grantee must execute certain documents set out in such notice for the purposes of vesting of the RSU(s). The Committee shall thereafter inform the Trustee of the number of the RSU(s) or the amount of cash equivalent being transferred, paid and/or released to the Grantee in the manner as determined by the Committee.

An unvested RSU shall lapse and be cancelled automatically upon certain events, including the termination of the Grantee’s employment or service with the Company. The Committee may in its absolute discretion decide that any RSU shall not be cancelled or determined subject to such conditions or limitations as the Committee may decide. In certain circumstances such as when the Grantee’s employment or services with the Group is terminated for cause, the Company shall have a right to instruct the Trustee to repurchase the Shares from the Grantee at the higher of (1) the par value of the Shares on the date the RSUs were granted; and (2) the exercise price (if any) paid by the Grantee for vesting of the relevant RSUs.

(f) Restriction on Grant of Awards

A Grant must not be made after inside information has come to the Company’s knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules, this include the period of:

- (a) sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

In the course of administering the 2022 RSU Scheme, the Company and the Committee will also comply with the applicable provisions of the Model Code and applicable rules on insider dealing. No instructions will therefore be given to the Trustee to acquire Shares under the 2022 RSU Scheme at a time when any Director is in possession of unpublished inside information or where dealings by Directors are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time (“**Relevant Time**”). As the Trustee will be acquiring the Shares on the instruction of the Committee, the Trustee will also not acquire any Shares during the Relevant Time. The Company and the Committee will administer the scheme such that the (i) Grant of Awards under the 2022 RSU Scheme, (ii) purchase of Shares by the Trustee; and (iii) the Committee giving instruction to the Trustee to purchase Shares for the administration of the 2022 RSU Scheme will be conducted in accordance with the applicable provisions of the Model Code.

Report of Directors

(g) General and Maximum Limit

The Shares in the share pool under the Scheme will be purchased from the secondary market. The aggregated amount of existing Shares to be purchased by the Trustee under the Scheme shall be no more than 5,594,711 Shares, representing approximately 1.87% of the number of total issued Shares of the Company as of December 31, 2025. The Shares acquired for the share pool will be funded out of the Company's internal resources, excluding the proceeds from Global Offering. The maximum number of Shares which may be subject to an Award or Awards to a selected Participant shall not in aggregate exceed 1% of the total issued Shares of the Company as of January 21, 2022 (being 279,735,566 Shares), and shall also be subject to any shareholders approval requirement as required under the Listing Rules. As of December 31, 2025, the total number of Shares available to be awarded under the 2022 RSU Scheme is 5,594,711 Shares (representing approximately 1.87% of the issued Shares as at the date of the annual report). 4,136,000 Shares had been purchased from the market and held by the Trustee as of December 31, 2025. No new Shares may be allotted pursuant to the 2022 RSU Scheme.

At no time shall the Trustee be holding more than 10% of the total number of Shares in issue. The Shares held by the Trustee will be regarded as public float unless the Trustee becomes a core connected person of the Company or would otherwise cease to be regarded as member of the public under the Listing Rules. The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust.

As of December 31, 2025, no award was granted pursuant to the 2022 RSU Scheme.

SHARE OPTION SCHEME

During the Reporting Period and up to the date of this annual report, the Company did not have any share option scheme which was required to be disclosed.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Reporting Period, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interest in a business that competed or was likely to compete, either directly or indirectly, with the business of the Group, other than being a director of the Company and/or its subsidiaries.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

Save as disclosed in this annual report, the Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CHANGES IN DIRECTORS' INFORMATION

Mr. Cheuk Kin Stephen LAW (i) resigned as an independent non-executive director of Somerley Capital Holdings Limited (新百利融資控股有限公司) (stock code: 8439) on March 23, 2026; and (ii) has been an independent non-executive director of China Resources Gas Group Limited (華潤燃氣控股有限公司) (stock code: 1193) since March 27, 2026.

Save as disclosed in this annual report, the Company is not aware of any changes in Directors' information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Report of Directors

CONNECTED TRANSACTIONS

Details on related party transactions for the year ended December 31, 2025 are set out in note 36 to the consolidated financial statements. There was no connected transaction nor continuing connected transaction of the Group which has to be disclosed in accordance with Chapter 14A of the Listing Rules during the Reporting Period.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to 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 the Company's securities.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued Shares, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, was held by the public at all times during the Reporting Period and as of the date of this annual report.

SUBSIDIARIES

Particulars of the Company's subsidiaries as at December 31, 2025 are set out in note 1 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

Under the Articles of Association, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he may incur or sustain in or about the execution of his duties in his office. The Company has arranged appropriate insurance cover in respect of legal action against its Directors and officers.

EQUITY-LINKED AGREEMENTS

Other than the 2021 RSU Scheme and the 2022 RSU Scheme, no equity-linked agreements that will or may result in the Company issuing shares, or that require the Company to enter into any agreements that will or may result in the Company issuing shares, were entered into by the Company during the year or subsisted at the end of the Reporting Period.

MANAGEMENT CONTRACTS

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

Report of Directors

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). The Company did not hold treasury shares as defined under the Listing Rules during the Reporting Period.

SIGNIFICANT LEGAL PROCEEDINGS

During the Reporting Period, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatening against the Company.

RETIREMENT BENEFITS SCHEME

The Group has 3 employees who are required to participate in the Mandatory Provident Fund Scheme (the “**MPF Scheme**”) in Hong Kong in compliance with the Hong Kong Mandatory Provident Fund Schemes Ordinance (Cap. 485). The MPF Scheme is a defined contribution plan administered by an independent corporate trustee. Under the MPF Scheme, each of the Group and the employee are required to make contributions to the MPF Scheme at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000.

The Group's contributions under the above-mentioned defined contribution retirement plan are expensed as incurred and no contributions have been forfeited as all contributions to the MPF Scheme vest immediately.

The employees of the PRC subsidiaries are members of the state-managed retirement benefits scheme operated by the PRC government. There are no provisions under the scheme whereby forfeited contributions may be used to reduce future contributions. The employees of the PRC subsidiaries are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to this retirement benefits scheme is to make the required contributions under the scheme.

Details of the pension obligations of the Company are set out in note 2.4 to the consolidated financial statements in this report.

USE OF NET PROCEEDS FROM LISTING

In connection with the Global Offering, 67,004,000 Shares were issued at a price of HK\$53.3 per Share for a total cash consideration, after deduction of the underwriting fees and expenses, of approximately RMB2,841 million. Dealings in the Shares on the Stock Exchange commenced on July 8, 2021. The Group has applied such proceeds in a manner consistent with the intended use of proceeds as set out in the Prospectus. All proceeds from the Global Offering has been utilized by December 31, 2025.

Report of Directors

The table below sets forth the utilisation of the net proceeds from the Global Offering and the unused amount as at December 31, 2025:

Business objective as stated in the Prospectus	Planned applications <i>RMB million</i>	Balance as at December 31, 2024 <i>RMB million</i>	Actual utilisation during the Reporting Period <i>RMB million</i>	Balance As at December 31, 2025 <i>RMB million</i>	Expected timeline for unutilized amount
R&D and commercialization of the Company's Core Product and key drug candidates	1,705	448	448	–	–
Preclinical evaluation and clinical development of the Company's other pipeline products	426	–	–	–	–
Payment of lease for the Company's new manufacturing and R&D facilities and procurement of machinery and equipment	426	–	–	–	–
General corporate and working capital purposes	284	–	–	–	–
Total	2,841	448	448	–	

USE OF PROCEEDS FROM TOP-UP PLACING

Reference is made to the announcements of the Company dated June 11, 2025 and June 19, 2025 (the “**Announcements**”). Capitalised terms used in this section shall have the same meanings as those defined in the Announcements.

On June 13, 2025, a total of 21,600,000 Placing Shares held by Moonshot Holdings Limited as the top-up vendor have been placed at the Placing Price of HK\$45.48 per Share to not less than six professional, institutional, corporate and/or other investors, together with their respective ultimate beneficial owners, are Independent Third Parties. On June 19, 2025, a total of 19,000,000 ordinary shares as Placing Shares have been issued to the Moonshot Holdings Limited at the Subscription Price of HK\$45.48 per Share. The net placing price per Subscription Share after deducting related fees and expenses is approximately HK\$44.94 per Share. The Subscription Shares had a market value of approximately HK\$1,050.84 million based on the closing price of HK\$48.65 per Share as of June 10, 2025 (being the last trading day and the date on which the Placing Price was fixed) and an aggregate nominal value of US\$2,160.

The gross proceeds to the Company from the Subscription are approximately HK\$864 million, and the net proceeds (after deducting the commissions and estimated costs, fees and expenses) from the Subscription are approximately HK\$854 million approximately (RMB782 million) in aggregate. The Placing was being undertaken to enhance the Group's financial strength, market competitiveness and comprehensive strength, promote the long-term healthy and sustainable development of the Group, diversify the Company's Shareholder base, and enhance the liquidity in the Shares. For further details, please refer to the Announcements.

Report of Directors

The table below sets forth the utilisation of the net proceeds from the Subscription and the unused amount as at December 31, 2025:

Business objective as stated in the Announcements	Planned use of actual net proceeds <i>RMB million</i>	Actual utilisation during the Reporting Period <i>RMB million</i>	Balance As at December 31, 2025 <i>RMB million</i>	Expected timeline for unutilized amount
R&D expenses of the CM512, CM518D1 and other pipelines	274	274	–	–
Commercialization of Stapokibart	235	21	214	By the end of 2026
Capital expenditure of manufacturing and R&D facilities	195	195	–	–
General corporate and working capital purposes	78	49	29	By the end of 2026
Total	782	539	243	

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A milestone payment received from AstraZeneca for its core product CMG901/AZD0901

In February 2026, AstraZeneca announced that it has initiated a multi-center, randomized, controlled Phase III clinical study of CMG901/AZD0901 in combination with capecitabine, with or without Rilvegostomig for the first-line treatment of Claudin 18.2-positive and HER2-negative advanced/metastatic gastric cancer, gastroesophageal junction cancer or esophageal adenocarcinoma (CLARITY-Gastric 02), and has administered the dose to the first subject. Subject to the terms and conditions of the agreement, the administration of the dose to the first subject in the above clinical trial has triggered a milestone payment of USD45,000,000 in total. In March 2026, KYM Biosciences Inc. (“KYM”, a 70% non-wholly-owned subsidiary of the Group) has received the payment from AstraZeneca, 70% of which was attributable to the Group and the remaining 30% to Lepu Biopharma Co., Ltd. For further details, please refer to the Company’s announcement dated March 10, 2026.

A merger agreement entered into between our partner, Ouro Medicines and Gilead Sciences

On March 23, 2026, our partner, Ouro Medicines, entered into a merger agreement with Gilead Sciences (NASDAQ: GILD). Gilead Sciences will acquire Ouro Medicines by way of a merger, with a transaction amount including an upfront payment of US\$1,675 million and a milestone payment of up to US\$500 million, bringing a maximum total transaction of US\$2,175 million. The Company, through iBridge HK, also disposed of its approximately 15% minority interest in Ouro Medicines as part of its merger agreement with Gilead Sciences, Inc. We will receive an initial payment of approximately US\$250 million after completion of the transaction, as well as a milestone payment of up to approximately US\$70 million, bringing the total revenue amount to up to approximately US\$320 million. Simultaneously, our milestone payments and tiered royalties on net sales of up to US\$610 million for CM336/OM336 will continue to be fulfilled by Gilead. After completion of the transaction, we will no longer hold equity interest in Ouro Medicines. As of the date of this report, this transaction has not yet closed. For further details, please refer to the Company’s announcement dated March 24, 2026 and supplemental announcement dated April 15, 2026.

Report of Directors

Save as disclosed in this report, there is no significant subsequent event undertaken by the Company or by the Group after the Reporting Period and up to the date of this report.

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.

EMPLOYEES AND REMUNERATION POLICIES

As of December 31, 2025, we had 1,625 full-time employees in total, including 6 employees who were employed overseas and the remaining in China. In strict compliance with the relevant labor laws, we enter into individual employment contracts with our employees covering matters such as terms, wages, bonuses, employee benefits, workplace safety, confidentiality obligations and grounds for termination.

To remain competitive in the labor market, we provide various incentives and benefits to our employees. We invest in continuing education and training programs, including internal and external training, for our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries and the opportunity to participate in share incentive schemes to our employees. We believe our benefits, working environment and development opportunities for our employees have contributed to good employee relations.

Our Company has adopted the 2021 RSU Scheme on April 5, 2021 and the 2022 RSU Scheme on January 21, 2022. Please refer to “Restricted Share Unit Schemes” in this annual report for further information.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The emoluments of the Directors and Senior Management of the Group are decided by the Board with reference to the recommendation given by the Remuneration Committee, having regard to the Group’s operating results, individual performance and comparable market statistics.

Details of the emoluments of the Directors, and five highest paid individuals during the Reporting Period are set out in notes 10 and 11 to the consolidated financial statements. No Directors have waived or agreed to waive any emoluments during the Reporting Period.

Report of Directors

Except as disclosed above, no other payments have been made or are payable, for the year ended December 31, 2025, by the Group to or on behalf of any of the Directors.

AUDIT COMMITTEE

The Board has established the Audit Committee which comprises one non-executive Director and two independent non-executive Directors, namely Mr. Qi CHEN, Mr. Cheuk Kin Stephen LAW and Prof. Yang KE. Mr. Cheuk Kin Stephen LAW serves as the chairperson of the Audit Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules. The primary duties of the Audit Committee are to review and supervise the Company's financial reporting process and internal controls.

The Audit Committee, together with the management and external auditor of the Company, has reviewed the accounting principles and policies adopted by the Company and discussed internal control and financial reporting matters (including the review of the consolidated financial statements of the Group for the year ended December 31, 2025) of the Group, and is of the view that the annual results of the Group is prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

AUDITOR

Ernst & Young was appointed as the auditor of the Company during the Reporting Period. The Company did not change its auditors since the Listing Date.

Ernst & Young shall retire at the AGM and, being eligible, will offer itself for re-appointment as auditor of the Company. A resolution for the re-appointment of Ernst & Young as auditor of the Company will be proposed at the AGM.

On behalf of the Board

Dr. Bo CHEN

Chairman

Hong Kong, March 26, 2026

Independent Auditor's Report



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To the shareholders of KEYMED BIOSCIENCES INC.

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of KEYMED BIOSCIENCES INC. (the "Company") and its subsidiaries (together, the "Group") set out on pages 127 to 203, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 (the "IASB") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were 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 these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

Key audit matter

How our audit addressed the key audit matter

Risk of misstatement of research and development expenses

The Group incurred significant research and development ("R&D") expenses of RMB723.5 million as disclosed in the consolidated statement of profit or loss for the year ended 31 December 2025, which mainly consisted of staff costs, costs of materials and consumables, and service fees paid to contract research organisations and clinical site management organisations (collectively referred to as "Outsourced Service Providers").

R&D activities with these Outsourced Service Providers are documented in the agreements and are typically performed over an extended period. These expenses are charged to profit or loss based on the progress of the R&D projects estimated by management. We identified the measurement of R&D expenses as a key audit matter due to their significant amount and the allocation of these expenses to the appropriate reporting period.

The accounting policy and the disclosure for significant accounting judgement and estimate related to R&D expenses have been disclosed in notes 2.4 and 3 to financial statements, respectively.

Our procedures in relation to R&D expenses included the following:

We obtained an understanding of and evaluated the key controls over the R&D process;

We inquired management about the reasons for periodical fluctuations in R&D expenses and assessed the reasonableness of those fluctuations;

We, on a sampling basis, selected R&D activities and i) reviewed the key terms set out in the related agreements with Outsourced Service Providers; ii) inquired the R&D personnel and inspected related supporting documents to verify the progress of the R&D projects; and iii) recalculated the allocation of R&D expenses with reference to the progress of the R&D projects.

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

RESPONSIBILITIES OF THE DIRECTORS 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 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, 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 HKSA's 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.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Shun Lung Wai (practising certificate number: P06860).

Certified Public Accountants
Hong Kong
26 March 2026

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	5	716,313	428,124
Cost of sales		(88,048)	(12,200)
GROSS PROFIT		628,265	415,924
Other income and gains	6	159,224	141,154
Research and development expenses		(723,529)	(735,192)
Administrative expenses		(182,209)	(187,933)
Selling and distribution expenses		(321,987)	(110,897)
Other expenses	7	(62,905)	(7,987)
Finance costs	9	(16,908)	(18,460)
Share of loss of a joint venture		(674)	(5,256)
LOSS BEFORE TAX	8	(520,723)	(508,647)
Income tax expense	12	(1,874)	(6,260)
LOSS FOR THE YEAR		(522,597)	(514,907)
Attributable to:			
Owners of the parent		(522,641)	(515,241)
Non-controlling interests		44	334
		(522,597)	(514,907)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	14	(RMB1.91)	(RMB1.97)

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
LOSS FOR THE YEAR	(522,597)	(514,907)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	861	(440)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	11,485	1,826
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	12,346	1,386
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(510,251)	(513,521)
Attributable to:		
Owners of the parent	(510,279)	(513,660)
Non-controlling interests	28	139
	(510,251)	(513,521)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	1,229,442	974,365
Right-of-use assets	16	69,865	73,740
Other intangible assets	17	8,074	9,748
Prepayments, other receivables and other assets	22	67,174	32,662
Equity investments designated at fair value through other comprehensive income ("FVTOCI")	19	30,851	17,634
Investment in a joint venture	18	2,392	566
Financial assets at fair value through profit or loss ("FVTPL")	23	386,893	191,825
Total non-current assets		1,794,691	1,300,540
CURRENT ASSETS			
Inventories	20	195,976	111,422
Trade receivables	21	100,850	62,851
Prepayments, other receivables and other assets	22	162,679	136,141
Financial assets at FVTPL	23	319,944	235
Restricted cash	24	39,594	–
Time deposits	24	1,100,454	1,736,964
Cash and cash equivalents	24	503,345	418,413
Total current assets		2,422,842	2,466,026
CURRENT LIABILITIES			
Trade payables	25	28,058	26,007
Other payables and accruals	26	286,171	235,406
Interest-bearing bank borrowings	27	509,369	472,371
Contract liabilities	28	445	1,578
Lease liabilities	16	9,524	12,364
Tax payable		2,727	–
Total current liabilities		836,294	747,726
NET CURRENT ASSETS		1,586,548	1,718,300
TOTAL ASSETS LESS CURRENT LIABILITIES		3,381,239	3,018,840

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	27	258,030	257,188
Deferred income	29	336,668	274,778
Lease liabilities	16	11,618	11,315
Deferred tax liabilities	30	–	347
Total non-current liabilities		606,316	543,628
NET ASSETS		2,774,923	2,475,212
EQUITY			
Equity attributable to owners of the parent			
Share capital	31	197	174
Treasury shares		(3)	(3)
Reserves	33	2,774,060	2,474,400
		2,774,254	2,474,571
Non-controlling interests		669	641
TOTAL EQUITY		2,774,923	2,475,212

Bo Chen
Director

Gang Xu
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Share capital RMB'000 (note 31)	Treasury shares RMB'000 (note 31)	Share premium* RMB'000	Share-based payment reserve* RMB'000 (note 32)	Other reserve* RMB'000	Accumulated losses* RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2025	174	(3)	8,495,932	143,289	(216)	(6,164,605)	2,474,571	641	2,475,212
Loss for the year	-	-	-	-	-	(522,641)	(522,641)	44	(522,597)
Other comprehensive income for the year:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax (note 19)	-	-	-	-	11,485	-	11,485	-	11,485
Exchange differences on translation of foreign operations	-	-	-	-	877	-	877	(16)	861
Total comprehensive loss for the year	-	-	-	-	12,362	(522,641)	(510,279)	28	(510,251)
Issue of shares (note 31)	23	-	782,176	-	-	-	782,199	-	782,199
Share-based payments (note 32)	-	-	-	27,763	-	-	27,763	-	27,763
Vesting of restricted share units (note 31)	-	-	47,839	(47,839)	-	-	-	-	-
At 31 December 2025	197	(3)	9,325,947	123,213	12,146	(6,687,246)	2,774,254	669	2,774,923

Year ended 31 December 2024

	Share capital RMB'000 (note 31)	Treasury shares RMB'000 (note 31)	Share premium* RMB'000	Share-based payment reserve* RMB'000 (note 32)	Other reserve* RMB'000	Accumulated losses* RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2024	169	2	8,483,743	153,558	(1,797)	(5,649,364)	2,986,311	502	2,986,813
Loss for the year	-	-	-	-	-	(515,241)	(515,241)	334	(514,907)
Other comprehensive income for the year:									
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax (note 19)	-	-	-	-	1,826	-	1,826	-	1,826
Exchange differences on translation of foreign operations	-	-	-	-	(245)	-	(245)	(195)	(440)
Total comprehensive loss for the year	-	-	-	-	1,581	(515,241)	(513,660)	139	(513,521)
Share-based payments (note 32)	-	-	-	34,346	-	-	34,346	-	34,346
Shares repurchased (note 31)	2	(5)	(32,423)	-	-	-	(32,426)	-	(32,426)
Vesting of restricted share units (note 32)	3	-	44,612	(44,615)	-	-	-	-	-
At 31 December 2024	174	(3)	8,495,932	143,289	(216)	(6,164,605)	2,474,571	641	2,475,212

* These reserve accounts comprise the consolidated reserves of RMB2,774,060,000 (31 December 2024: RMB2,474,400,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	8	(520,723)	(508,647)
Adjustments for:			
Finance costs	9	16,908	18,460
Interest income	6	(67,393)	(87,872)
Interest income on financial assets at FVTPL	6	(2,792)	(457)
Fair value gains on financial assets at FVTPL	6	(30,866)	(62)
Foreign exchange losses/(gains), net	8	31,316	(18,148)
Depreciation of property plant and equipment	15	81,781	75,013
Amortisation of other intangible assets	17	2,413	1,388
Depreciation of right-of-use assets	16	13,833	16,827
Equity-settled share-based payments	32	27,763	34,346
Share of loss of a joint venture	18	674	5,256
Gain on disposal of property, plant and equipment		(43)	–
Loss on disposal of right-of-use assets		12	–
Write-down of inventories	8	1,207	–
Reversal of impairment losses on other receivables	8	(880)	–
Impairment losses on financial assets	8	606	1,080
Revenue from non-cash consideration		(125,210)	(191,825)
		(571,394)	(654,641)
Increase in prepayments, other receivables and other assets		(25,575)	(2,649)
Increase in inventories		(85,761)	(55,068)
Increase in trade receivables		(38,605)	(46,760)
Decrease in contract assets		–	11,000
Increase/(decrease) in trade payables		2,051	(3,481)
Increase/(decrease) in other payables and accruals		43,631	(31,393)
(Decrease)/increase in contract liabilities		(1,133)	1,578
Decrease in deferred income		(34,395)	(2,029)
Income tax paid		(1,226)	(6,191)
Net cash flows used in operating activities		(712,407)	(789,634)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		76,743	65,211
Interest received on financial assets at FVTPL		3,041	4,031
Purchases of property, plant and equipment		(333,921)	(207,914)
Receipts of government grants for property, plant and equipment		56,691	48,613
Purchases of intangible assets		(2,559)	(6,583)
Investments in financial assets at FVTPL		(39,458)	–
Capital contributions to a joint venture		(2,500)	–
Loans to third parties		(28,347)	–
Purchases of wealth management products		(427,692)	(200)
Proceeds from disposal of wealth management products		108,200	170,827
Placement of time deposits with maturity over three months		(2,761,243)	(2,656,533)
Withdrawal of time deposits with maturity over three months		3,388,404	2,648,309
(Increase)/decrease in advances to employees		(151)	172
Disposal of property, plant and equipment		1,867	–
Decrease in restricted cash		–	1,775
Net cash flows from investing activities		39,075	67,708

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments	16	(13,558)	(19,019)
Rental deposits refunded		1,139	1,233
Proceeds from issue of shares		791,681	–
Share issue expenses	31	(9,482)	–
Repurchase of shares	31	–	(32,426)
New bank borrowings		654,094	468,788
Repayment of bank borrowings		(619,353)	(116,533)
Interest paid		(15,801)	(18,145)
Net cash flows from financing activities		<u>788,720</u>	<u>283,898</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		115,388	(438,028)
Cash and cash equivalents at beginning of year		418,413	851,029
Effect of foreign exchange rate changes, net		<u>(30,456)</u>	<u>5,412</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	<u>503,345</u>	<u>418,413</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		473,270	276,358
Time deposits with maturity within three months		<u>30,075</u>	<u>142,055</u>
Cash and cash equivalents as stated in the consolidated statement of financial position	24	<u>503,345</u>	<u>418,413</u>

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION

KEYMED BIOSCIENCES INC. (the “Company”) was incorporated in the Cayman Islands (“Cayman”) on 23 April 2018 as a limited liability company. The registered office of the Company is located at the offices of 4th Floor, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) with effect from 8 July 2021.

During the year ended 31 December 2025, the Group was involved in the research and development and commercialisation of pharmaceutical products.

Information about subsidiaries

As at the date of this report, particulars of the Company’s principal subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
iBridge Holdings Limited	British Virgin Islands (“BVI”) 15 April 2016	USD10,000	100%	–	Investment holding
iBridge HK Holdings Limited (“iBridge HK”) 一橋香港控股有限公司	Hong Kong 20 April 2016	HKD1	–	100%	Investment holding
Wealth Venture Enterprises Limited	BVI 30 March 2016	USD10,000	100%	–	Investment holding
Wealth Venture Enterprises (Hong Kong) Limited	Hong Kong 15 April 2016	HKD1	–	100%	Investment holding
KYM Biosciences Inc. (“KYM”)	United States of America (“USA”) 2 December 2019	USD0.1	–	70%	Research and development
Keymed Biosciences (US) Inc.	USA 2 December 2021	USD0.5	–	100%	Research and development
iBridge US Inc.	USA 7 January 2025	USD0.5	100%	–	Research and development
Wealth Venture US Inc.	USA 7 January 2025	USD0.5	100%	–	Research and development
Keymed Biosciences (Chengdu) Co., Ltd. (“Keymed Chengdu”) 康諾亞生物醫藥科技(成都)有限公司	People’s Republic of China (“PRC”)/ Chinese mainland 1 September 2016	USD375,206,858	–	100%	Research and development

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION (Continued)

Information about subsidiaries (Continued)

As at the date of this report, particulars of the Company's principal subsidiaries are as follows (Continued):

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary shares/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Kangnuo Boyu Biomedical Technology (Chengdu) Co., Ltd.* 康諾博譽生物醫藥科技 (成都)有限公司	PRC/Chinese mainland 29 December 2020	USD15,200,000	–	100%	Research and development
Beijing Lingyue Biomedical Technology Co., Ltd.* (“Beijing Lingyue”) 北京零樾生物 醫藥科技有限公司	PRC/Chinese mainland 4 December 2019	RMB10,000,000	–	100%	Research and development
Shanghai KNY Biomedical Technology Co., Ltd.* (“Shanghai KNY”) 上海康諾亞生物醫藥科技 有限公司	PRC/Chinese mainland 3 December 2018	RMB1,000,000	–	100%	Research and development
Chengdu Kangnuoxing Biopharma, Inc.* (“Chengdu KNX”) 成都康諾行生物醫藥科技 有限公司	PRC/Chinese mainland 9 November 2017	RMB500,000,000	–	100%	Development, manufacturing and commercialisation
Keymed Biosciences (Beijing) Co., Ltd.* 北京康諾亞生物醫藥 有限公司	PRC/Chinese mainland 14 September 2022	RMB10,000,000	–	100%	Research and development
Keymed Biosciences (Sichuan) Co., Ltd.* 四川康諾亞醫藥有限公司	PRC/Chinese mainland 3 November 2023	RMB5,000,000	–	100%	Investment holding
Sichuan Fengze Biosciences Co., Ltd.* 四川風澤醫藥有限公司	PRC/Chinese mainland 28 February 2024	RMB5,000,000	–	100%	Marketing
Chengdu Xinzeli Biosciences Co., Ltd.* 成都新澤利醫藥科 技有限公司	PRC/Chinese mainland 8 July 2024	RMB20,000,000	–	100%	Research and development

* These entities are limited liability enterprises established under PRC law. The English names of these companies represent the best effort made by the directors of the Company (the “Directors”), as none of them have been registered with official English names.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the financial statements throughout the year ended 31 December 2025.

These financial statements have been prepared under the historical cost convention, except for certain financial instruments, wealth management products and equity investments which have been measured at fair value at the end of the reporting period. They are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

Basis of consolidation

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

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

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

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

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

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. The Group has considered the guidance in these illustrative examples and the amendments did not have any impact on the Group's financial statements.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

Except for the abovementioned changes in presentation and disclosure, these pronouncements are not expected to have a significant impact on the Group's results of operations and financial position.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and a joint venture

An associate is an entity in 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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of a joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and a joint venture are eliminated to the extent of the Group's investments in a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the joint venture is included as part of the Group's investment in a joint venture.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is similar to venture capital organisation within the Group, which may elect to measure that investment at FVTPL in accordance with IFRS9. An entity shall make this election separately for each associate or joint venture, at initial recognition of that associate or joint venture.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures certain financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is a joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2% to 5%
Machinery	10% to 20%
Office equipment and others	10% to 20%
Motor vehicles	10%
Leasehold improvements	The shorter of remaining lease terms and estimated useful lives

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Research and development expenses

All research expenses are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is 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, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Office and laboratory	2 to 9 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office properties (that is those 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 leases of low-value assets to leases of office equipment that is considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments and debt instruments which the Group had not irrevocably elected to classify at fair value through other comprehensive income and are measured at fair value through profit or loss.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, borrowings and lease liabilities)

After initial recognition, trade and other payables, interest-bearing borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined a weighted average method and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Collaboration revenue

At contract inception, the Group analyses the collaboration arrangements to assess whether they are within the scope of IFRS 11 Joint Arrangements to determine whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities. For collaboration arrangements within the scope of IFRS 11 that contain multiple elements, the Group first determine which elements of the collaboration are deemed to be within the scope of IFRS 11 and those that are more reflective of a vendor-customer relationship and therefore within the scope of IFRS 15 – Revenue from Contracts with Customers. For elements of collaboration arrangements that are accounted for pursuant to IFRS 11, an appropriate recognition method is determined and applied consistently.

In determining the appropriate amount of revenue to be recognised as the Group fulfils its obligations under each of the collaboration agreements, the management of the Company perform the five-step model under IFRS 15. The collaboration arrangements may contain more than one unit of account, or performance obligation, including grants of licenses to intellectual property rights (the “Licenses”), agreements to provide research and development services and other deliverables. The collaborative arrangements typically do not include a right of return for any deliverable. In general, the consideration allocated to each performance obligation is recognised when the respective obligation is satisfied either by delivering a good or rendering a service, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as contract liabilities.

Licenses of Intellectual Property (“IP”)

Upfront non-refundable payments for Licenses are evaluated to determine if they are distinct from the other performance obligations identified in the arrangements. For Licenses determined to be distinct, the Group recognises revenues from non-refundable up-front fees allocated to the Licenses at a point in time, when the Licenses are transferred to the licensee and the licensee is able to use and benefit from the Licenses.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Collaboration revenue (Continued)

Research and Development Services

The portion of the transaction price allocated to research and development services performance obligations is deferred and recognised as collaboration revenue at the point in time when research and development services are rendered to customers.

Milestone Payments

At the inception of each arrangement that includes development milestone payments, the management of the Company evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. The management of the Company will assess whether the variable consideration is fully constrained each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to constraint associated with the developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognised is not expected to occur and allocated to the separate performance obligations. Regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved due to the inherent uncertainty with the approval process. Regulatory milestones are included in the transaction price in the period regulatory approval is obtained.

Royalties

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the Licenses are deemed to be the predominant item to which the royalties relate, the Group recognises revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

(b) Sale of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Some contracts for the sale of products provide customers with sales rebates, giving rise to variable consideration.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Other income

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract development and manufacturing services

The Group renders contract development and manufacturing services ("CDM services"), which are typically comprised of several performance obligations which are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative stand-alone selling price of the services. Customers do not receive and consume the benefits of the Group's performance until the services or solutions are delivered to the customers. Customers do not obtain control as the asset (work in process) is created or enhanced. The primary performance obligation of CDM services creates assets without an alternative use and the Group does not have an enforceable right to payment for performance completed to date. Therefore, the revenue of CDM services is recognised at a point in time.

Otherwise, revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments

The Company operates a restricted share units scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined based on the fair values of ordinary shares of the Company, further details of which are given in note 32 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

For share awards exercised, forfeited or lapsed that had previously vested, the attributable share-based payments reserve would be transferred to the share premium account after considering any requirements under the local statutory law.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Notes to Financial Statements

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currency of certain overseas subsidiaries and a joint venture is RMB. As at the end of the reporting period, the assets and liabilities of these entities recorded in currencies other than RMB are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Research and development expenses

All research expenses are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalised and deferred in accordance with the accounting policy for research and development expenses in note 2.4 to financial statements. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Group.

Notes to Financial Statements

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Investment in associates

The Group's investments in associates is held indirectly through iBridge HK, whose main activities consist of managing an investment portfolio comprising investments related to collaboration arrangements. The Group elects to measure the abovementioned investments in associates at FVTPL in accordance with IFRS 9 at initial recognition of those associates.

Estimation uncertainty

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

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Allocation of research and development expenses related to Outsourced Service Providers to the appropriate reporting period

Research and development expenses include costs related to services provided by Outsourced Service Providers. The allocation of such services fees to the appropriate reporting period involves estimations, because billing and payment terms under agreements with Outsourced Service Providers are usually not consistent with the actual progress of the services contained in the agreements. Hence, management is required to make estimations regarding to the progress of each service in the agreements. These estimations are made based on a number of factors, mainly include management's knowledge of the status of each research and development pipeline, nature of services contained in the agreements, as well as billings and payments to date of each agreement.

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Notes to Financial Statements

31 December 2025

4. OPERATING SEGMENT INFORMATION

Operating segment information

The Group is engaged in biopharmaceutical research & development and commercialisation, which is regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for purposes of resource allocation and performance assessment. Therefore, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
United States of America	393,665	335,012
Chinese mainland	322,174	36,974
The United Kingdom	474	56,138
	716,313	428,124

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

(b) Non-current assets

The majority of the Group's non-current assets were located in Chinese mainland as at 31 December 2025, geographical segment information in accordance with IFRS 8 *Operation Segments* is presented.

	2025 RMB'000	2024 RMB'000
Hong Kong	393,265	200,682
United States of America	–	1,611
Chinese mainland	1,401,426	1,098,247
	1,794,691	1,300,540

Information about major customers

Revenue of approximately RMB230,580,000 (2024: RMB199,580,000) was derived from collaboration revenue from a pharmaceutical company. Further details are set out in note 5.

Notes to Financial Statements

31 December 2025

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods and services		
Collaboration revenue	401,552	392,185
Sale of pharmaceutical products	314,761	35,939
	716,313	428,124
Timing of revenue recognition		
Transferred at a point in time	708,091	421,921
Transferred overtime	8,222	6,203
	716,313	428,124

(b) Performance obligations

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

Licensing out of CM313

In January 2025, the Group entered into an out-licence agreement (the "Timberlyne Agreement") with Timberlyne Therapeutics, Inc. ("Timberlyne") for the development, manufacture and commercialisation of a drug candidate CM313 globally excluding Chinese mainland, Hong Kong, Macau and Taiwan. Pursuant to the Timberlyne Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment of USD25,000,000 and a near-term payment of USD5,000,000 and was entitled to receive approximately 25.79% equity interests in Timberlyne. The Group was also entitled to receive milestone and royalty payments for the licensing.

In February 2025, the Group received the upfront payment of USD25,000,000. The Group recognised revenue of RMB230,580,000, which consisted of the upfront payment of USD25,000,000 (equivalent to RMB179,233,000) and the equity interest in Timberlyne valued at USD7,125,000 (equivalent to RMB51,347,000) during the year ended 31 December 2025.

Notes to Financial Statements

31 December 2025

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

Licensing out of CM355

In January 2025, the Group, Beijing InnoCare Pharma Tech Co., Ltd (“Beijing InnoCare”) and Beijing Tiannuo Pharma Tech Co., Ltd (“Tiannuo Pharma”) entered into an out-licence agreement (the “Prolium Agreement”) with Prolium Biosciences, Inc. (“Prolium”) for the development, manufacture and commercialisation of a drug candidate CM355 globally in non-oncology indications and outside of Asia in oncology indications. Pursuant to the Prolium Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment of USD6,250,000 and a near-term payment of USD2,500,000 based on its respective 50% interest in CM355 and was entitled to receive a minority equity interest in Prolium. The Group and Beijing InnoCare were also entitled to receive compensation for the R&D support services provided to Prolium and milestone and royalty payments for the licensing.

In February 2025, the Group received the upfront payment of USD6,250,000. In June 2025, the Group received the near-term payment of USD2,500,000. The Group recognised revenue of RMB90,747,000, which consisted of the upfront payment and near-term payment totalling USD8,750,000 (equivalent to RMB62,775,000), the minority equity interest in Prolium valued at USD3,452,000 (equivalent to RMB24,752,000) and the collaboration revenue relating to R&D support services on CM355 of RMB3,220,000 during the year ended 31 December 2025.

Licensing out of CM512 and CM536

In July 2024, the Group entered into an out-licence agreement (the “Belenos Agreement”) with Belenos Biosciences, Inc. (“Belenos”) for the development, manufacture and commercialisation of drug candidates CM512 and CM536 globally excluding Greater China region. Pursuant to the Belenos Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment of USD10,000,000 and a near-term payment of USD5,000,000 and was entitled to receive approximately 30.01% equity interest in Belenos. The Group was also entitled to receive compensation for the R&D support services provided to Belenos and milestone and royalty payments for the licensing.

The Group recognised revenue of RMB58,634,000, which consisted of the collaboration revenue of RMB49,111,000 for the achievement of certain development milestone related to CM536 and the collaboration revenue relating to the R&D support services on CM512 and CM536 of RMB9,523,000 during the year ended 31 December 2025.

Notes to Financial Statements

31 December 2025

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations (Continued)

Licensing out of CM336

In November 2024, the Group entered into an out-licence agreement (the “PML Agreement”) with Platina Medicines Ltd (“PML”) for the development, manufacture and commercialisation of a drug candidate CM336 globally excluding Chinese mainland, Hong Kong, Macau and Taiwan. Pursuant to the PML Agreement and subject to its terms and conditions, the Group was entitled to receive a one-time and non-refundable upfront payment and a near-term payment and a minority equity interest in Ouro Medicines, LLC (“Ouro Medicines”). Ouro Medicines is the parent company of PML and owns 100% equity interest in PML. The Group was also entitled to receive compensation for the R&D support services provided to PML and milestone and royalty payments for the licensing.

The Group recognised the collaboration revenue relating to R&D support services on CM336 of RMB13,705,000 during the year ended 31 December 2025.

Licensing out of CMG901

In February 2023, KYM Biosciences Inc. (“KYM”), a 70% non-wholly-owned subsidiary of the Group (the remaining 30% ownership is held by affiliates of Lepu Biopharma Co., Ltd. (“Lepu”)), entered into a global exclusive out-license agreement (the “AZ Agreement”) with AstraZeneca AB (“AZ”), for the research, development, registration, manufacture, and commercialisation of Claudin 18.2-targeting anti-body drug conjugate (“CMG901”). Pursuant to the AZ Agreement and subject to its terms and conditions, KYM was entitled to receive a one-time and non-refundable upfront payment and will be also entitled to receive R&D support services, milestone and royalty payments for the licensing and payments for clinical support when the relevant performance obligation is satisfied.

The Group recognised the collaboration revenue relating to the R&D support services on CMG901 of RMB474,000 during the year ended 31 December 2025 (2024: RMB56,138,000).

Notes to Financial Statements

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6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	2025 RMB'000	2024 RMB'000
Other income		
Government grants income	51,771	31,934
Interest income on financial assets at FVTPL	2,792	457
Interest income	67,393	87,872
CDM service income	5,491	1,519
Others	–	1,162
	<u>127,447</u>	<u>122,944</u>
Gains		
Gain on exchange differences, net	–	18,148
Fair value gains on financial assets at FVTPL	30,866	62
Reversal of impairment losses on other receivables	880	–
Others	31	–
	<u>31,777</u>	<u>18,210</u>
	<u>159,224</u>	<u>141,154</u>

7. OTHER EXPENSE

	2025 RMB'000	2024 RMB'000
Losses on exchange differences, net	31,316	–
Donation expenses	22,403	5,436
CDM service costs	5,139	445
Write-down of inventories	1,207	–
Impairment of trade receivables	606	–
Impairment of other receivables	–	1,080
Others	2,234	1,026
	<u>62,905</u>	<u>7,987</u>

Notes to Financial Statements

31 December 2025

8. LOSS BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold*		84,396	6,622
Depreciation of property, plant and equipment	15	81,781	75,013
Depreciation of right-of-use assets	16	13,833	16,827
Amortisation of other intangible assets	17	2,413	1,388
Lease payments not included in the measurement of lease liabilities	16	1,710	1,348
Government grants income	6	(51,771)	(31,934)
Auditors' remuneration		3,035	3,008
Reversal of impairment losses on other receivables		(880)	–
Impairment losses on financial assets		606	1,080
Interest income from financial assets at FVTPL	6	(2,792)	(457)
Fair value gains on financial assets at FVTPL	6	(30,866)	(62)
Interest income	6	(67,393)	(87,872)
Finance costs	9	16,908	18,460
Foreign exchange losses/(gains), net	7	31,316	(18,148)
Write-down of inventories		1,207	–
Employee benefit expenses (excluding directors' and chief executive's remuneration)			
– Wages and salaries		434,472	323,006
– Pension scheme contributions		89,913	63,190
– Staff welfare expenses		477	378
– Share-based payment expense		27,763	34,346
		552,625	420,920

* Cost of inventories sold includes related employee benefit expenses and depreciation and amortisation expenses, which are also included in the respective total amounts disclosed above for each of these types of expenses.

Notes to Financial Statements

31 December 2025

9. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest expense on bank borrowings	18,900	17,790
Interest on lease liabilities	1,051	1,471
	19,951	19,261
Less: Interest capitalised	(3,043)	(801)
	16,908	18,460

* The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is Loan Prime Rate ("LPR")-0.8%.

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year ended 31 December 2025, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is set out below:

	2025 RMB'000	2024 RMB'000
Fees	1,524	1,524
Other emoluments:		
Salaries, allowances and benefits in kind	9,578	9,526
Pension scheme contributions	97	141
	9,675	9,667

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Dr. Xiaofan Wang	476	476
Dr. Yang Ke	476	476
Mr. Cheuk Kin Stephen Law	572	572
	1,524	1,524

Notes to Financial Statements

31 December 2025

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors and the chief executive

2025

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Director and chief executive:					
Dr. Bo Chen	—	4,915	—	75	4,990
Directors:					
Dr. Gang Xu	—	1,758	—	22	1,780
Mr. Qi Chen	—	—	—	—	—
Dr. Minchuan Wang	—	—	—	—	—
Mr. Yilun Liu	—	—	—	—	—
Dr. Changyu Wang	—	2,905	—	—	2,905
	—	9,578	—	97	9,675

2024

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
Director and chief executive:					
Dr. Bo Chen	—	4,902	—	74	4,976
Directors:					
Dr. Gang Xu	—	1,687	—	42	1,729
Mr. Qi Chen	—	—	—	—	—
Dr. Minchuan Wang	—	—	—	—	—
Mr. Yilun Liu	—	—	—	—	—
Dr. Changyu Wang	—	2,937	—	25	2,962
	—	9,526	—	141	9,667

Notes to Financial Statements

31 December 2025

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year ended 31 December 2025 included 1 director (2024: 2 directors), whose details of remuneration are set out in note 10 above. Details of the remuneration for the remaining 4 highest paid employees (2024: 3) who are neither a director nor chief executive of the Company during the year ended 31 December 2025 are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	9,010	6,578
Performance related bonuses	1,541	1,988
Pension scheme contributions	121	187
Equity-settled share-based payments	8,404	6,147
	<u>19,076</u>	<u>14,900</u>

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
HK\$2,500,001 to HK\$3,000,000	–	1
HK\$3,000,001 to HK\$3,500,000	–	1
HK\$3,500,001 to HK\$4,000,000	2	–
HK\$4,000,001 to HK\$4,500,000	1	–
HK\$9,000,001 to HK\$9,500,000	1	–
HK\$10,000,001 to HK\$10,500,000	–	1
	<u>4</u>	<u>3</u>

12. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax.

British Virgin Islands

Pursuant to the rules and regulations of the British Virgin Islands (“BVI”), the subsidiaries incorporated in the BVI are not subject to any income tax.

Notes to Financial Statements

31 December 2025

12. INCOME TAX (Continued)

United States of America (the “USA”)

Subsidiaries incorporated in Delaware, the USA, are subject to the statutory federal corporate income tax at a rate of 21% during the year ended 31 December 2025.

Pursuant to United States Income Tax laws and regulations and the agreement between the government of the People's Republic of China and the USA for avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, a 10% United States federal withholding tax was charged on milestone revenue pursuant to license and collaboration agreements entered between the Group and a United States company.

Hong Kong

The subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the statutory rate of 16.5% on any estimated assessable profits arising in Hong Kong during the year ended 31 December 2025. No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the year ended 31 December 2025.

Chinese Mainland

Four subsidiaries incorporated in Chinese mainland, including Keymed Chengdu, Chengdu KNX, Beijing Lingyue and Keymed Shanghai, obtained the Certificate of High-tech Enterprise and are entitled to corporate income tax at a preferential rate of 15% on taxable profit determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008.

The rest of the subsidiaries that are incorporated in Chinese mainland are subject to corporate income tax at the statutory rate of 25% on taxable profit determined in accordance with the PRC Corporate Income Tax Law.

	2025 RMB'000	2024 RMB'000
Current – Chinese mainland	3,733	75
Charge for the year	2,726	75
Underprovision in prior years	1,007	–
Current – Others	220	6,116
Corporate income tax	220	1,127
Withholding tax	–	4,989
Deferred (note 30)	(2,079)	69
Total	1,874	6,260

Notes to Financial Statements

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12. INCOME TAX (Continued)

Chinese Mainland (Continued)

A reconciliation of the tax expense applicable to loss before tax using the statutory rates of the jurisdictions in which the majority of the Group's subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

2025	Chinese mainland RMB'000	Others RMB'000	Total RMB'000
(Loss)/profit before tax	(525,639)	4,916	(520,723)
Tax charged at the statutory tax rate	(80,201)	7,329	(72,872)
Adjustments in respect of current tax of prior years	1,007	–	1,007
Additionally deductible allowance for qualified research and development costs	(85,072)	–	(85,072)
Income not subject to tax	–	(5,016)	(5,016)
Expenses not deductible for tax	6,423	–	6,423
Tax losses utilised from previous periods	–	(4,082)	(4,082)
Deductible temporary differences and tax losses not recognised	159,497	1,989	161,486
Tax charge at the Group's effective rate	1,654	220	1,874
2024	Chinese mainland RMB'000	Others RMB'000	Total RMB'000
(Loss)/profit before tax	(538,759)	30,112	(508,647)
Tax charged at the statutory tax rate	(81,394)	(7,086)	(88,480)
Additionally deductible allowance for qualified research and development costs	(94,497)	–	(94,497)
Expenses not deductible for tax	3,709	–	3,709
Tax losses utilised from previous periods	–	41	41
Deductible temporary differences and tax losses not recognised	172,326	8,172	180,498
Withholding tax	–	4,989	4,989
Tax charge at the Group's effective rate	144	6,116	6,260

The Group is not within the scope of the Pillar Two model rules.

Notes to Financial Statements

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13. DIVIDENDS

No dividends have been declared and paid by the Company during the year ended 31 December 2025.

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares reserved under the restricted share units scheme) during each reporting period.

The computation of diluted loss per share for the year ended 31 December 2025 and 31 December 2024 was made without the assumption of the vest of restricted share units in 2025 and 2024 since their assumed vest or conversion of such shares would result in a decrease in loss per share.

The calculation of the basic and diluted loss per share attributable to ordinary equity holders of the parent is based on the following data:

	2025	2024
Loss for the year		
Loss for the year attributable to ordinary equity holders of the parent (RMB'000)	<u>(522,641)</u>	<u>(515,241)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share calculations	<u>273,977,890</u>	<u>261,946,993</u>
Loss per share (basic and diluted)		
RMB per share	<u>(1.91)</u>	<u>(1.97)</u>

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15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Machinery RMB'000	Office equipment and others RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025:							
Cost	190,158	667,454	21,023	3,594	62,052	213,929	1,158,210
Accumulated depreciation	(7,437)	(128,784)	(7,545)	(2,148)	(37,931)	–	(183,845)
Net carrying amount	<u>182,721</u>	<u>538,670</u>	<u>13,478</u>	<u>1,446</u>	<u>24,121</u>	<u>213,929</u>	<u>974,365</u>
At 1 January 2025, net of accumulated depreciation	182,721	538,670	13,478	1,446	24,121	213,929	974,365
Additions	–	25,839	2,428	224	–	310,191	338,682
Depreciation provided during the year (note 8)	(4,214)	(64,264)	(4,169)	(361)	(8,773)	–	(81,781)
Disposals	–	(65)	(8)	(111)	(1,640)	–	(1,824)
Transfer	<u>60,537</u>	<u>13,765</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(74,302)</u>	<u>–</u>
At 31 December 2025, net of accumulated depreciation	<u>239,044</u>	<u>513,945</u>	<u>11,729</u>	<u>1,198</u>	<u>13,708</u>	<u>449,818</u>	<u>1,229,442</u>
At 31 December 2025:							
Cost	250,695	706,955	23,442	3,657	60,412	449,818	1,494,979
Accumulated depreciation	(11,651)	(193,010)	(11,713)	(2,459)	(46,704)	–	(265,537)
Net carrying amount	<u>239,044</u>	<u>513,945</u>	<u>11,729</u>	<u>1,198</u>	<u>13,708</u>	<u>449,818</u>	<u>1,229,442</u>

Notes to Financial Statements

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15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings RMB'000	Machinery RMB'000	Office equipment and others RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024:							
Cost	190,158	606,704	16,475	3,594	60,770	34,478	912,179
Accumulated depreciation	(3,522)	(71,975)	(4,090)	(1,789)	(27,456)	–	(108,832)
Net carrying amount	186,636	534,729	12,385	1,805	33,314	34,478	803,347
At 1 January 2024, net of accumulated depreciation	186,636	534,729	12,385	1,805	33,314	34,478	803,347
Additions	–	44,565	4,548	–	227	196,691	246,031
Depreciation provided during the year (note 8)	(3,915)	(56,809)	(3,455)	(359)	(10,475)	–	(75,013)
Transfer	–	16,185	–	–	1,055	(17,240)	–
At 31 December 2024, net of accumulated depreciation	182,721	538,670	13,478	1,446	24,121	213,929	974,365
At 31 December 2024:							
Cost	190,158	667,454	21,023	3,594	62,052	213,929	1,158,210
Accumulated depreciation	(7,437)	(128,784)	(7,545)	(2,148)	(37,931)	–	(183,845)
Net carrying amount	182,721	538,670	13,478	1,446	24,121	213,929	974,365

At 31 December 2025, certain of the Group's property, plant and equipment and land use right were pledged to secure bank borrowings of the Group (note 27).

Notes to Financial Statements

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16. LEASES

The Group as a lessee

The Group has lease contracts for several office units used as its office and laboratory. The movements in the carrying amount of right-of-use assets and lease liabilities during the year ended 31 December 2025 are as follows:

(a) Right-of-use assets

2025

	Leasehold land RMB'000	Office and laboratory RMB'000	Total RMB'000
As at 1 January	49,197	24,543	73,740
Additions	–	10,746	10,746
Termination	–	(3,919)	(3,919)
Lease modification	–	3,131	3,131
Depreciation charge (note 8)	(1,056)	(12,777)	(13,833)
As at 31 December	48,141	21,724	69,865

2024

	Leasehold land RMB'000	Office and laboratory RMB'000	Total RMB'000
As at 1 January	50,254	40,136	90,390
Additions	–	321	321
Lease modification	–	(144)	(144)
Depreciation charge (note 8)	(1,057)	(15,770)	(16,827)
As at 31 December	49,197	24,543	73,740

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16. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year ended 31 December 2025 are as follows:

	Office and laboratory 2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	23,679	41,050
New leases	10,746	321
Termination	(3,907)	–
Accretion of interest recognised during the year	1,051	1,471
Lease modification	3,131	(144)
Lease payments	(13,558)	(19,019)
Carrying amount at 31 December	21,142	23,679
Analysed into:		
Current portion	9,524	12,364
Non-current portion	11,618	11,315
	21,142	23,679

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	1,051	1,471
Depreciation charge on right-of-use assets	13,833	16,827
Expense relating to short-term and low-value leases	1,710	1,348
Total amount recognised in profit or loss	16,594	19,646

The total cash outflow for leases included in the consolidated statement of cash flows is disclosed in note 34(c) to the financial statements.

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17. OTHER INTANGIBLE ASSETS

	Computer software RMB'000
31 December 2025	
Cost at 1 January 2025, net of accumulated amortisation	9,748
Additions	739
Amortisation provided during the year (note 8)	(2,413)
At 31 December 2025	<u>8,074</u>
At 31 December 2025:	
Cost	12,692
Accumulated amortisation	(4,618)
Net carrying amount	<u>8,074</u>
	Computer software RMB'000
31 December 2024	
Cost at 1 January 2024, net of accumulated amortisation	1,110
Additions	10,026
Amortisation provided during the year (note 8)	(1,388)
At 31 December 2024	<u>9,748</u>
At 31 December 2024:	
Cost	11,953
Accumulated amortisation	(2,205)
Net carrying amount	<u>9,748</u>

Notes to Financial Statements

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18. INVESTMENT IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Cost of investment in a joint venture	23,500	21,000
Share of losses of a joint venture	(21,108)	(20,434)
	<u>2,392</u>	<u>566</u>

The joint venture is indirectly held by the Company and is accounted for using the equity method in the consolidated financial statements.

Particulars of the Group's joint venture are as follows:

Name	Place of registration and business	Percentage			Principal activity
		Ownership interest	Voting power	Profit sharing	
Beijing Tiannuo Pharma Tech Co., Ltd. ("Tiannuo Pharma")	Chinese mainland	50%	50%	50%	Clinical research

As at 31 December 2025, Tiannuo Pharma was still a start-up company involved in the research and development of biotechnology and pharmaceutical products. The following table illustrates the financial information of the joint venture, which is not material to the consolidated financial statements of the Group:

	2025 RMB'000	2024 RMB'000
Share of a joint venture's loss for the year	(674)	(5,256)
Share of a joint venture's total comprehensive loss for the year	<u>(674)</u>	<u>(5,256)</u>
Aggregate carrying amount of the Group's investment in a joint venture	<u>2,392</u>	<u>566</u>

Notes to Financial Statements

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19. EQUITY INVESTMENTS DESIGNATED AT FVTOCI

	2025 RMB'000	2024 RMB'000
Unlisted equity investments, at fair value	30,851	17,634

These unlisted equity investments are measured at fair value through other comprehensive income. The purpose of these investments is strategic, which is different from unlisted equity investments in newly formed biotech companies, and the shareholding ratios of these investments are very small, less than 5%. The increase in fair value of these investments of RMB13,217,000 was recognised in the other comprehensive income for the year ended 31 December 2025.

20. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	132,051	78,946
Work in progress	45,957	20,632
Finished goods	14,719	11,844
Contract costs	3,249	–
	195,976	111,422

21. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	101,456	62,851
Impairment	(606)	–
Net carrying amount	100,850	62,851

The Group's trading terms with its customers are mainly on credit. The credit period is normally 60 days. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Notes to Financial Statements

31 December 2025

21. TRADE RECEIVABLES (Continued)

As at 31 December 2025, no trade receivables were overdue.

An ageing analysis of the trade receivables as at 31 December 2025, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 months	74,170	—
1 to 2 months	26,680	62,851
Total	100,850	62,851

The movement in the loss allowance for impairment of trade receivables is as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	—	—
Impairment losses	606	—
At end of year	606	—

For the trade receivables to which the customers have similar loss patterns, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due, and the calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions.

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

	Current	Less than 1 month	Past due 1 to 2 months	Over 2 months	Total
Expected credit loss rate	0.60%	—	—	—	0.60%
Gross carrying amount	101,456	—	—	—	101,456
Expected credit losses	606	—	—	—	606

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22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2025 RMB'000	2024 RMB'000
Non-current			
Prepayments for property, plant and equipment		32,662	27,246
Loans to a collaboration partner	(i)	28,347	–
Rental deposits		3,146	4,285
Prepayments for other intangible assets		2,501	681
Advances to employees		518	450
		67,174	32,662
Current			
Prepayments for			
– Value-added tax recoverable		57,206	49,622
– Research and development expenses		47,735	52,026
– Raw materials		16,356	12,549
– Market promotion		14,456	–
– Others		17,057	11,863
Other receivables			
– Individual income tax for share-based payment		3,465	3,424
– Rental deposits		1,495	2,825
– Advances to employees		1,014	931
– Receivable for CDM service income		–	880
– Advance payment for clinical research fees		–	628
– Other receivables		3,895	2,473
		162,679	137,221
Impairment allowance		–	(1,080)
		162,679	136,141

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its prepayments and other receivable balances.

Notes to Financial Statements

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22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

- (i) In connection with the collaboration arrangement entered between the Company and Timberlyne as set out in note 5, the Company provided Timberlyne with a loan amounted to USD4,000,000 in November at an annual interest rate equal to the lesser of (i) 10% and (ii) the highest rate permitted by applicable law. The repayment date is the earliest to occur of (a) the closing date on which Timberlyne sells all or substantially all of its assets, (b) the date on which Timberlyne has raised at least USD40,000,000 in immediately available gross proceeds from the sale of equity securities for the principal purpose of raising capital in a transaction (or a series of related transactions) (a "Qualified Financing"), and (c) 2029, provided that if Timberlyne is engaged in bona fide negotiations for a transaction (including selling all or substantially all of its assets or a Qualified Financing) as of 2029, the repayment date under clause (c) shall be extended to 2030.

The balances are interest-free, unsecured and receivable on demand.

23. FINANCIAL ASSETS AT FVTPL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current		
Wealth management products *	<u>319,944</u>	<u>235</u>
Non-current		
Unlisted equity investments **	<u>386,893</u>	<u>191,825</u>
	<u>706,837</u>	<u>192,060</u>

* As at 31 December 2025, the Group held wealth management products acquired from reputable commercial banks. The principals and yields on all of these wealth management products are not guaranteed, and hence their contractual cash flows do not qualify for solely payments of principal and interest.

** The Group acquired certain equity interests in newly formed biotech companies as part of non-cash consideration of collaboration arrangements. The Group had elected to measure these investments at FVTPL in accordance with IFRS 9.

Notes to Financial Statements

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24. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	473,270	276,358
Time deposits with maturity dates within three months	30,075	142,055
Cash and cash equivalents	503,345	418,413
Time deposits with maturity dates over three months	1,100,454	1,736,964
Restricted cash	39,594	–
	1,643,393	2,155,377
Denominated in		
RMB	530,603	728,798
USD	964,806	1,264,588
HKD	35,727	161,991
EUR	112,257	–
	1,643,393	2,155,377

Cash and cash equivalents earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The time deposits presented above are placed with banks in Chinese mainland and Hong Kong with annual interest rates ranging from 1.45% to 5.25% and have maturity dates within one year.

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

Restricted cash

The restricted cash represents government grants received for property, plant and equipment. The use of the funds shall be restricted until the corresponding assets have passed final inspection and acceptance.

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25. TRADE PAYABLES

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

	2025 RMB'000	2024 RMB'000
Within 3 months	23,228	22,861
3 to 6 months	2,599	558
6 months to 1 year	126	2,588
Over 1 year	2,105	–
	28,058	26,007

Trade payables are non-interest-bearing and unsecured.

26. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Payroll payable	90,246	62,391
Payables for property, plant and equipment	85,995	78,861
Accrued research and development expenses	39,221	43,283
Amounts due to partners of collaboration arrangement	29,069	25,954
Accrued selling and distribution expenses	28,373	11,171
Other tax payables	3,723	4,968
Accrued other expenses	1,059	1,548
Other payables	8,485	7,230
	286,171	235,406

Other payables and accruals are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in other payables as at the end of each reporting period approximated to their fair values due to their short-term maturities.

Notes to Financial Statements

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27. INTEREST-BEARING BANK BORROWINGS

	2025		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings – unsecured	1.55-2.60	2026	344,019
Current portion of long term bank borrowings – unsecured	LPR-50BP	2026	2,302
Current portion of long term bank borrowings – secured	*	2026	163,048
			<u>509,369</u>
Non-current			
Bank borrowings – unsecured	LPR-50BP	2027-2030	62,126
Bank borrowings – secured	*	2027-2029	195,904
			<u>258,030</u>
			<u>767,399</u>

* The interest rates of the bank borrowings range from LPR-1.2% to LPR-0.8%.

	2024		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank borrowings – unsecured	1.35-3.00	2025	337,184
Current portion of long term bank borrowings – secured	*	2025	135,187
			<u>472,371</u>
Non-current			
Bank borrowings – secured	*	2026-2029	257,188
			<u>729,559</u>

* The interest rates of the bank borrowings range from LPR-1.2% to LPR-0.8%.

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27. INTEREST-BEARING BANK BORROWINGS (Continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank borrowings and overdrafts repayable:		
Within one year or on demand	509,369	472,371
In the second year	104,696	142,287
In the third to fifth years, inclusive	153,334	114,901
	<u>767,399</u>	<u>729,559</u>

Notes:

- (a) As of 31 December 2025, the Group secured its bank borrowings amounted to RMB358,952,000 (2024: RMB392,375,000) as follows:
- (i) RMB200,538,000 (2024: RMB331,521,000) are secured by mortgages over the Group's machinery equipment of RMB440,584,000 and the Group's buildings situated in Chengdu Biotown (成都生物城), which had net carrying amount of approximately RMB227,136,000 at the end of the reporting period.
 - (ii) RMB158,414,000 are secured by mortgages over the Group's CIP and land use right with a total net carrying amount of RMB125,005,000 at the end of the reporting period.
- (b) All borrowings are denominated in RMB.

28. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advances received from customers		
Collaboration revenue	445	1,578
	<u>445</u>	<u>1,578</u>

During the year ended 31 December 2025, the Group entered into clinical supply agreements with a biotech company mentioned in note 5 to supply clinical drugs for use in its clinical trials. As of 31 December 2025, an advance payment of RMB445,000 were received and recorded as contract liabilities.

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29. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants	336,668	274,778

The movements in deferred income during the year ended 31 December 2025 are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of the year	274,778	228,194
Grants received during the year	96,285	48,613
Amounts released to profit or loss during the year	(34,395)	(2,029)
At end of the year	336,668	274,778

The grants were mostly government subsidies received from government authorities related to property, plant and equipment to support the Group's research and development activities and will be released to profit or loss over the expected useful life of the relevant property, plant and equipment.

30. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities:

	Fair value adjustments of equity investments designated at FVTOCI RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 1 January 2024	–	6,397	6,397
Deferred tax credited to the statement of profit or loss during the year (note 12)	–	(2,388)	(2,388)
At 31 December 2024 and 1 January 2025	–	4,009	4,009
Deferred tax credited to the statement of profit or loss during the year (note 12)	–	(654)	(654)
Deferred tax charged to the statement of other comprehensive income during the year	1,732	–	1,732
Gross deferred tax liabilities at 31 December 2025	1,732	3,355	5,087

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30. DEFERRED TAX (Continued)

Deferred tax assets:

	Tax losses RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	–	6,119	6,119
Deferred tax charged to the statement of profit or loss during the year (note 12)	–	(2,457)	(2,457)
At 31 December 2024 and 1 January 2025	–	3,662	3,662
Deferred tax credited/(charged) to the statement of profit or loss during the year (note 12)	2,013	(588)	1,425
Gross deferred tax assets at 31 December 2025	2,013	3,074	5,087

Deferred tax assets have not been recognised in respect of the following item:

	2025 RMB'000	2024 RMB'000
Tax losses	4,011,160	3,128,322
Deductible temporary differences	334,721	295,557
	4,345,881	3,423,879

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time, and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group has accumulated tax losses in Chinese mainland of RMB3,987,537,000 in aggregate as at 31 December 2025 (31 December 2024: RMB3,080,138,000), which can be carried forward for one to ten years to offset against future taxable profits of the companies in which losses were incurred.

The Group has accumulated tax losses in Hong Kong of RMB23,623,000 in aggregate as at 31 December 2025 (31 December 2024: RMB48,184,000), which can be carried forward indefinitely to offset against future taxable profits of the companies in which the losses were incurred.

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30. DEFERRED TAX (Continued)

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

	2025 RMB'000	2024 RMB'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	347
Net deferred tax liabilities in respect of continuing operations	–	347

31. SHARE CAPITAL

Issued and fully paid:

	Number of shares in issue	Number of shares fully paid	2025 RMB'000	2024 RMB'000
Ordinary shares of USD0.0001 each	298,735,566	298,735,566	197	174

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

	Number of shares in issue	Share capital RMB'000	Share premium RMB'000
At 31 December 2024 and 1 January 2025	279,735,566	174	8,495,932
Issue of shares*	19,000,000	23	782,176
Vest of restricted share units	–	–	47,839
At 31 December 2025	298,735,566	197	9,325,947

* On 19 June 2025, a total of 19,000,000 new shares were issued at the subscription price of HK\$45.48 per share for an aggregate cash consideration, before expenses, of HK\$864,120,000 (equivalent to RMB791,681,000). The related transaction costs amounting to HK\$10,350,000 (equivalent to RMB9,482,000) were netted off against the cash proceeds. The Company recorded RMB23,000 in share capital and RMB782,176,000 in share premium. Further details are set out in the Company's announcements dated 11 June 2025 and 19 June 2025, respectively.

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32. SHARE-BASED PAYMENTS

Restricted Share Units (“RSUs”) Scheme

Pursuant to a written shareholders’ resolution of the Company passed on 5 April 2021, a Restricted Share Unit Scheme (the “2021 RSU Scheme”) has been approved for the purpose of providing incentives to eligible participants who contribute to the success of the Group’s operation. Up to 17,976,153 shares of the Company were authorised and approved under the 2021 RSU Scheme. The number of RSUs granted, the grant date, and the vesting period under the 2021 RSU Scheme will be determined at the discretion of the Company’s board of directors. The Scheme shall be valid and effective for the period of ten years commencing on the listing date of 8 July 2021.

Pursuant to a written board resolution passed by the Company on 21 January 2022, a RSU Scheme (the “2022 RSU Scheme”) has been approved to recognize and incentivize the grantees’ contributions and to retain and further develop to attract outstanding employees. Under the 2022 RSU Scheme, the authorized and approved shares of the Company shall not exceed 2% of the total issued share capital of the Company as at the grant date (i.e., not more than 5,594,711 shares). As at 31 December 2025, up to 4,136,000 shares of the Company were repurchased from the open market and held under the 2022 RSU Scheme. The number of RSUs granted, the grant date, and the vesting period under the 2022 RSU Scheme shall be determined by the Company’s board of directors. The 2022 RSU scheme became effective on 21 January 2022 and is valid for ten years. No RSU was granted under the 2022 RSU scheme during the year ended 31 December 2025.

The RSUs under the 2021 RSU Scheme have respective vesting terms over 4 years from the grant date. The RSUs shall be vested according to the vesting schedule: 25% of the total number of RSUs shall be vested on the first anniversary of the grant date and the remaining 75% of the total number of RSUs shall be vested in three substantially equal annual instalments, with the first instalment vested on the second anniversary of the grant date, and then on the fourth anniversary of the grant date. The RSUs are granted with the subscription price of zero during the reporting period.

The following RSUs were outstanding during the year:

	2025 Number of RSUs	2024 Number of RSUs
At 1 January	3,353,791	5,223,722
Granted during the year	819,256	1,215,280
Vested during the year	(1,843,083)	(1,948,329)
Forfeited during the year	(427,782)	(1,136,882)
At 31 December	1,902,182	3,353,791

The fair values of RSUs granted during the reporting periods were determined with reference to the closing price of ordinary shares of the Company traded publicly on the Hong Kong Stock Exchange at the grant date or the previous trading day.

The Group recognised share-based payment expenses of RMB27,763,000 under the 2021 RSU Scheme for the year ended 31 December 2025 (2024: RMB34,346,000), including the reversal of RMB3,315,000 (2024: RMB12,087,000) for forfeited RSU.

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33. RESERVES

The Group

The amounts of the Group's deficits and the movements therein for the year ended 31 December 2025 are presented in the consolidated statement of changes in equity to the consolidated financial statements.

Treasury shares

The treasury shares of the Group represents the cost of own equity instruments which are reacquired and held by the Group for the 2022 RSU Scheme.

Share premium

The share premium of the Group represents: 1) conversion of redeemable convertible preferred shares into ordinary shares upon IPO; 2) the issue of ordinary shares upon IPO and vest of over-allotment option; 3) the transfer of share-based payments to share premium resulting from the vest of RSUs; and 4) the issue of new shares.

Share-based payments reserve

The share-based payments reserve of the Group represents the share-based payments reserve in respect of equity-settled share awards.

Other reserve

The other reserve of the Group represents the changes in fair value of equity investments measured at fair value through other comprehensive income and the exchange differences on translation of foreign operations.

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets of RMB10,746,000 and non-cash additions to lease liabilities of RMB10,746,000, in respect of lease arrangements for office and laboratory premises.

During the year, the Group had non-cash additions to financial assets at FVTPL of RMB125,210,000, in connection with several collaboration arrangements the Group entered into during the year ended 31 December 2025.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings RMB'000	Lease liabilities RMB'000
At 1 January 2024	377,659	41,050
Changes from financing cash flows	334,110	(19,019)
New leases	–	321
Lease modification	–	(144)
Accretion of interest	17,790	1,471
At 31 December 2024 and 1 January 2025	729,559	23,679
Changes from financing cash flows	18,940	(13,558)
New leases	–	10,746
Termination	–	(3,907)
Lease modification	–	3,131
Accretion of interest	18,900	1,051
At 31 December 2025	767,399	21,142

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	1,710	1,348
Within financing activities*	12,419	17,786
	14,129	19,134

* Including lease payments and rental deposits refunded/(paid).

35. COMMITMENTS

The Group had the following contractual commitments as at 31 December 2025:

	2025 RMB'000	2024 RMB'000
Plant and machinery	346,463	129,207

36. RELATED PARTY TRANSACTIONS

The Directors are of the opinion that, the following personnel is a related party that had material transactions or balances with the Group during the year ended 31 December 2025.

Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	13,290	16,064
Pension scheme contributions	144	743
Equity-settled share-based payments	5,973	5,877
Performance related bonuses	697	697
	20,104	23,381

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37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

Financial assets

	2025			
	Financial assets at amortised cost RMB'000	Financial assets at FVTPL RMB'000	Financial assets at FVTOCI RMB'000	Total RMB'000
Trade receivable	100,850	–	–	100,850
Financial assets included in prepayments, other receivables and other assets	41,880	–	–	41,880
Financial assets at FVTPL				
– Wealth management products	–	319,944	–	319,944
– Unlisted equity investments	–	386,893	–	386,893
Equity investments designated at FVTOCI	–	–	30,851	30,851
Restricted cash	39,594	–	–	39,594
Time deposits	1,100,454	–	–	1,100,454
Cash and cash equivalents	503,345	–	–	503,345
	1,786,123	706,837	30,851	2,523,811
	2024			
	Financial assets at amortised cost RMB'000	Financial assets at FVTPL RMB'000	Financial assets at FVTOCI RMB'000	Total RMB'000
Trade receivable	62,851	–	–	62,851
Financial assets included in prepayments, other receivables and other assets	14,816	–	–	14,816
Financial assets at FVTPL				
– Wealth management products	–	235	–	235
– Unlisted equity investments	–	191,825	–	191,825
Equity investments designated at FVTOCI	–	–	17,634	17,634
Time deposits	1,736,964	–	–	1,736,964
Cash and cash equivalents	418,413	–	–	418,413
	2,233,044	192,060	17,634	2,442,738

Notes to Financial Statements

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37. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial liabilities

	2025 Financial liabilities at amortised cost RMB'000
Trade payables	28,058
Interest-bearing bank borrowings	767,399
Financial liabilities included in other payables and accruals	123,549
	919,006
	2024 Financial liabilities at amortised cost RMB'000
Trade payables	26,007
Interest-bearing bank borrowings	729,559
Financial liabilities included in other payables and accruals	112,045
	867,611

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, time deposits, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department analyses the movements in the value of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2025 were assessed to be insignificant.

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the wealth management products which were all issued by reputable commercial banks have been estimated by using discounted cash flow valuation models with reference to observable inputs including volatilities of foreign exchange, yields of publicly traded bonds and credit spreads of debt issuers, etc.

For the fair value of the unlisted equity investments at fair value through other comprehensive income and the unlisted equity investments at FVTPL, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 31 December 2025 and 31 December 2024:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the input
Equity investments designated at FVTOCI	Valuation multiples	Average P/S multiple of peers	14.34 (2024: 12.74)	1% (2024: 1%) increase/(decrease) would result in increase/(decrease) in fair value by RMB205,000/(RMB205,000) (2024: RMB89,000/(RMB89,000))
	Recent transaction price	N/A	N/A	N/A
Financial assets at FVTPL	Back-solve from recent transaction price	Risk-free rate	3.3% to 3.5% (2024: 4.3% to 4.4%)	1% (2024: 1%) increase/(decrease) would result in increase/(decrease) in fair value by RMB786,000/(RMB798,000) (2024: RMB992,000/(RMB1,017,000))
		Expected volatility	74.5% to 78.1% (2024: 68.9% to 71.1%)	1% (2024: 1%) increase/(decrease) would result in (decrease)/increase in fair value by (RMB45,000)/RMB54,000 (2024: RMB42,000/(RMB33,000))

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38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

Assets measured at fair value:

As at 31 December 2025	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets				
Financial assets at FVTPL				
– Wealth management products	–	319,944	–	319,944
– Unlisted equity investments	–	–	386,893	386,893
Equity investments designated at FVTOCI	–	–	30,851	30,851
	–	319,944	417,744	737,688
Fair value measurement using				
As at 31 December 2024	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets				
Financial assets at FVTPL				
– Wealth management products	–	235	–	235
– Unlisted equity investments	–	–	191,825	191,825
Equity investments designated at FVTOCI	–	–	17,634	17,634
	–	235	209,459	209,694

During the year ended 31 December 2025, there were no transfers of fair value measurements into or out of Level 2 or Level 3 for financial assets.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly comprise cash and cash equivalents, time deposits, other investments classified as financial assets at FVTPL, interest-bearing bank borrowings and other financial liabilities. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as financial assets included in prepayments, other receivables and other assets, amounts due to related parties, trade payables, and other payables and accruals, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates.

The Group's financial assets and liabilities are subject to foreign currency risk as a result of certain cash and cash equivalents and time deposits, other investments classified as FVTPL and other payables and accruals denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect the Group's results of operations. The Group does not enter into any hedging transactions to manage the potential fluctuation in foreign currency.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (arising from USD and HKD denominated financial instruments) and the Group's equity.

	Increase/ (decrease) in rate of foreign exchange %	Decrease/ (increase) in loss before tax RMB'000	Increase/ (decrease) in equity RMB'000
31 December 2024			
If RMB weakens against USD	5	63,229	63,229
If RMB strengthens against USD	(5)	(63,229)	(63,229)
If RMB weakens against HKD	5	8,100	8,100
If RMB strengthens against HKD	(5)	(8,100)	(8,100)
31 December 2025			
If RMB weakens against USD	5	48,240	48,240
If RMB strengthens against USD	(5)	(48,240)	(48,240)
If RMB weakens against HKD	5	1,786	1,786
If RMB strengthens against HKD	(5)	(1,786)	(1,786)
If RMB weakens against EUR	5	5,613	5,613
If RMB strengthens against EUR	(5)	(5,613)	(5,613)

Notes to Financial Statements

31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

Credit risk is the risk that a counterparty will default on contractual obligations resulting in financial loss to the Group.

The credit risk of the Group's financial assets, which primarily comprise cash and cash equivalents, time deposits, trade receivables, other investments classified as at FVTPL, and financial assets included in prepayments, other receivables and other assets arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

For financial assets included in prepayments, other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of such assets based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balances. At the end of the reporting period, cash and cash equivalents were deposited in reputable financial institutions without significant credit risk. Other investments at FVTPL were obtained through reputable financial institutions without significant credit risk.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as 31 December 2025.

	As at 31 December 2025				
	12-Month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Restricted cash	39,594	—	—	—	39,594
Time deposit	1,100,454	—	—	—	1,100,454
Cash and cash equivalents	503,345	—	—	—	503,345
Trade receivables	—	—	—	100,850	100,850
Financial assets included in prepayments, other receivables and other assets	41,880	—	—	—	41,880
	<u>1,685,273</u>	<u>—</u>	<u>—</u>	<u>100,850</u>	<u>1,786,123</u>

Notes to Financial Statements

31 December 2025

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

	As at 31 December 2024				
	12-Month ECLs	Lifetime ECLs			Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	RMB'000
Time deposit	1,736,964	–	–	–	1,736,964
Cash and cash equivalents	418,413	–	–	–	418,413
Trade receivables	–	–	–	62,851	62,851
Financial assets included in prepayments, other receivables and other assets	14,816	–	–	–	14,816
	<u>2,170,193</u>	<u>–</u>	<u>–</u>	<u>62,851</u>	<u>2,233,044</u>

The credit quality of other financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. During the reporting periods, the Group estimated that the expected credit loss for financial assets included in prepayments, other receivables and other assets was minimal.

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39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025			
	On demand or within one year RMB'000	One to five years RMB'000	Over five years RMB'000	Total RMB'000
Trade payables	28,058	–	–	28,058
Financial liabilities included in other payables and accruals	123,549	–	–	123,549
Lease liabilities	10,468	11,592	–	22,060
Interest-bearing bank borrowings (excluding lease liabilities)	515,064	327,960	–	843,024
	677,139	339,552	–	1,016,691
	2024			
	On demand or within one year RMB'000	One to five years RMB'000	Over five years RMB'000	Total RMB'000
Trade payables	26,007	–	–	26,007
Financial liabilities included in other payables and accruals	112,045	–	–	112,045
Lease liabilities	11,354	13,599	–	24,953
Interest-bearing bank borrowings (excluding lease liabilities)	485,613	264,103	–	749,716
	635,019	277,702	–	912,721

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital as at the end of the reporting period.

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40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	787,087	759,328
Amounts due from subsidiaries	5,210,287	3,149,293
Total non-current assets	5,997,374	3,908,621
CURRENT ASSETS		
Prepayments, other receivables and other assets	109	12,365
Financial assets at FVTPL	70,989	–
Time deposits	353,986	1,022,640
Cash and cash equivalents	27,325	130,117
Total current assets	452,409	1,165,122
CURRENT LIABILITY		
Other payables and accruals	862,148	254,303
Total current liability	862,148	254,303
NET CURRENT (LIABILITIES)/ASSETS	(409,739)	910,819
TOTAL ASSETS LESS CURRENT LIABILITIES	5,587,635	4,819,440
NET ASSETS	5,587,635	4,819,440
EQUITY		
Share capital	197	174
Treasury shares	(3)	(3)
Reserves (note)	5,587,441	4,819,269
TOTAL EQUITY	5,587,635	4,819,440

Notes to Financial Statements

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40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

The balances of the Company's reserves and the movements therein for the year ended 31 December 2025 are presented as follows:

	Reserves RMB'000
At 1 January 2024	4,744,652
Total comprehensive income for the year	72,697
Share-based payment	34,346
Shares repurchased	(32,423)
Vest of restricted share units	(3)
At 31 December 2024 and 1 January 2025	4,819,269
Total comprehensive income/(loss) for the year	(41,767)
Issue of shares	782,176
Share-based payment	27,763
Vest of restricted share units	—
At 31 December 2025	5,587,441

The share-based payment reserve of the Company represents the share-based payment reserve in respect of equity-settled share awards.

41. EVENTS AFTER THE REPORTING PERIOD

Licensing out of CMG901

AstraZeneca announces that it has initiated a multi-center, randomized, controlled Phase III clinical study of sonesitug vedotin (AZD0901) in combination with capecitabine, with or without Rilvegostomig for the first-line treatment of Claudin 18.2-positive and HER2-negative advanced/metastatic gastric cancer, gastroesophageal junction cancer or esophageal adenocarcinoma (CLARITY-Gastric 02), and the first subject has received the first dose.

Subject to the terms and conditions of the AZ Agreement, the dosage of the first subject in the above clinical trial has triggered a milestone payment of USD45,000,000 in total. KYM has received the payment from AstraZeneca, 70% of which was attributable to the Group and the remaining 30% to Lepu.

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41. EVENTS AFTER THE REPORTING PERIOD (Continued)

Disposal of equity interest in Ouro Medicines

On 23 March 2026, the Group and Gilead Sciences, Inc. entered into an agreement (“Ouro Agreement”) to dispose 15% minority interests of Ouro Medicines held by the Group. Pursuant to Ouro Agreement, the Group is expected to receive an upfront payment of approximately US\$250 million, subject to customary adjustments, and contingent milestone payment of up to approximately US\$70 million, for a maximum total of US\$320 million, subject to the achievement of relevant milestones as well as the shareholders agreement amongst the Ouro Medicines shareholders. Particulars of the Company’s disposal of equity interest in Ouro Medicines have been set out in the Company’s announcements dated 24 March 2026.

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2026.

Five Year Financial Summary

	As at 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Cash and cash equivalents	503,345	418,413	851,029	604,070	1,520,619
Time deposits	1,100,454	1,736,964	1,693,783	2,339,068	1,950,559
Total assets	4,217,533	3,766,566	3,882,922	3,932,316	3,934,455
Total liabilities	1,442,610	1,291,354	896,109	593,098	289,073
Total equity/(deficits)	2,774,923	2,475,212	2,986,813	3,339,218	3,645,382

	For the year ended 31 December				
	2025 RMB'000	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
Revenue	716,313	428,124	354,095	100,063	110,269
Gross profits	628,265	415,924	317,217	97,478	93,069
Other income and gains	159,224	141,154	123,249	259,002	52,667
Research and development expenses	(723,529)	(735,192)	(596,282)	(507,374)	(358,156)
Administrative expenses	(182,209)	(187,933)	(177,006)	(133,912)	(92,454)
Selling and distribution expenses	(321,987)	(110,897)	–	–	–
Listing expenses	–	–	–	–	(37,932)
Fair value losses on convertible redeemable preferred shares	–	–	–	–	(3,480,294)
Other expenses	(62,905)	(7,987)	(1,359)	(683)	(57,680)
Finance costs	(16,908)	(18,460)	(17,259)	(8,397)	(11,133)
Loss for the year	(522,597)	(514,907)	(357,785)	(303,597)	(3,892,632)