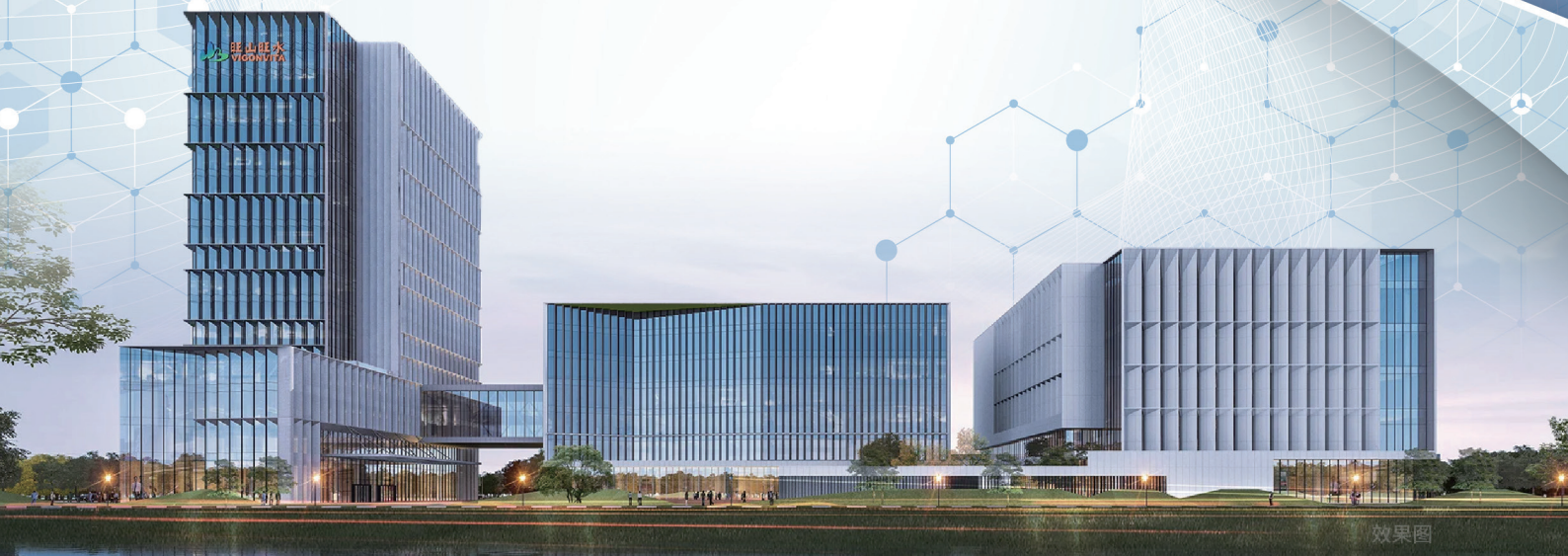
旺山旺水
VIGONVITA

蘇州旺山旺水生物醫藥股份有限公司
Vigonvita Life Sciences Co., Ltd.

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

Stock Code: 2630

2025
ANNUAL REPORT



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CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Tian Guanghui *(Chairman of the Board, Executive Director, Chief Executive Officer and General Manager)*
Dr. Hu Tianwen

Non-executive Director

Mr. Liu Haoxuan

Independent Non-executive Directors

Dr. Ju Dianwen
Ms. Cao Xinwen
Dr. Xu Hongxi

AUDIT COMMITTEE

Ms. Cao Xinwen *(Chairperson)*
Dr. Ju Dianwen
Dr. Xu Hongxi

REMUNERATION AND APPRAISAL COMMITTEE

Dr. Xu Hongxi *(Chairperson)*
Dr. Ju Dianwen
Dr. Hu Tianwen

NOMINATION COMMITTEE

Dr. Tian Guanghui *(Chairperson)*
Ms. Cao Xinwen
Dr. Xu Hongxi

SUPERVISORY COMMITTEE

Dr. Yang Rulei *(Chairman of the Supervisory Committee)*
Mr. Zhou Hongju
Mr. Li Jian

JOINT COMPANY SECRETARIES

Ms. Guo Ting
Ms. Au Wing Sze *(ACG; HKACG)*

AUTHORIZED REPRESENTATIVES

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Ms. Au Wing Sze

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STOCK CODE

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FINANCIAL HIGHLIGHTS

	Year ended December 31,		Year-on-year change
	2025	2024	
	RMB'000	RMB'000	
Revenue	**102,096**	11,832	762.9%
Gross profit	**80,679**	3,487	2,213.7%
Gross profit margin	**79.0%**	29.5%	168.1%
Loss for the year*	**(357,110)**	(217,643)	64.1%
Total loss for the year attributable to owners of the Company	**(355,718)**	(211,404)	68.3%

	RMB	RMB	
Basic loss per share	**(2.33)**	(1.45)	60.4%

* The increase in the loss for the year was primarily attributable to an expense of RMB184,172,000 recognized in relation to the restricted share scheme adopted by the Group in January 2025, as well as listing expenses of RMB23,106,000.

OPERATION HIGHLIGHTS

Rapid Growth in Operating Performance, with Marketing Approval of Innovative Drugs

For the year ended December 31, 2025, the Company achieved operating revenue of RMB102,096,000, representing a significant increase compared to the previous year. The core growth momentum was derived from two sources: firstly, following the marketing approval of 昂偉達® (Product Code: TPN171), the Company's Class 1 innovative drug for the treatment of male erectile dysfunction in July 2025, its marketing and promotion achieved remarkable results, driving rapid revenue growth; secondly, milestone payments were duly received upon the achievement of milestone nodes under the License-out project for the respiratory syncytial virus (RSV) infection indication of the VV116 dry suspension.

Successful Listing on the Stock Exchange

On November 6, 2025, the Company successfully completed its Global Offering and listed on the Main Board of the Stock Exchange (Stock Code: 2630), with total gross proceeds of HK$587 million, marking the Company's official debut in the capital market and the opening of a new chapter in its development. In December of the same year, by virtue of its profound technology accumulation, sustainable innovation capability and outstanding capital market performance in the biopharmaceutical sector, the Company was awarded the 2025 "Most Investable Company Award" (最具投資價值獎) by Cailian Press, which further enhanced its industry influence and market recognition.

Deepening External Cooperation to Build a Win-Win Development Pattern

In December 2025, the Company formally entered into a license agreement with Simcere Pharmaceutical in relation to the new indications of VV116. Pursuant to the terms of the agreement, Vigonvita will grant Simcere Pharmaceutical the exclusive rights to develop, manufacture and commercialize VV116 for the RSV infection indication and human metapneumovirus (HMPV) infection indication in the Greater China Region (including Chinese Mainland, Hong Kong, the Macao Special Administrative Region and the Taiwan region). Through this cooperation, the Company will be entitled to milestone income as well as sales royalties after the product obtains marketing approval and launch, which further broadens the Company's profit channels, realizes the complementary advantages of resources, and leverages the respective strengths of the Company and Simcere Pharmaceutical in research and development, production and commercialization to accelerate the clinical development and commercialization process of VV116, thereby benefiting a greater number of patents.

Class 1 Innovative Drug 昂偉達® Obtained Marketing Approval and Launch, with Completion of the Digital Marketing Department Establishment

昂偉達® formally obtained the drug registration certificate on July 8, 2025, completed the first batch of product delivery in early August 2025, and successfully entered the commercialization stage. In terms of marketing, the Company innovatively adopted a digital marketing model, establishing a dedicated digital marketing department with a 22-person team, completing the establishment of the full team structure. In the meantime, the Company has rolled out a full-channel matrix, opened the official flagship stores of 昂偉達® on six major platforms, namely JD.com, Tmall, Meituan, Pinduoduo, Douyin and WeChat, built a full-link conversion system from new users to loyal brand users through new media, and improved the matrix of brand service carriers.

Steady Progress in R&D Pipeline

VV116, an oral nucleoside analog with broad-spectrum antiviral potential, had its IND application for the RSV indication of its dry suspension submitted in February 2023, and successfully completed the Phase II clinical trial in 2025. Based on the positive results of this clinical trial, it was included in the Breakthrough Therapy Designation by the CDE. LV232 is the Company's investigational novel anti-depression drug candidate with brain-targeting properties, which is expected to have the advantages of lower peripheral side effects and faster onset of action compared with traditional antidepressant, and the Company completed the first patient enrollment in its Phase II clinical trial in March 2025. VV913 is a novel investigational drug candidate for premature ejaculation developed by the Company, and the results of pre-clinical studies have demonstrated its significant in vivo efficacy as well as the prominent advantage of on-demand administration. In October 2025, the Company submitted an IND application for this project to the NMPA, and obtained implicit approval for clinical trials in January 2026.

Quality and Efficiency Improvement at Lianyungang Facility, with Continuous Improvement of Production Capacity Layout

Rebamipide, which is mainly indicated for the treatment of gastric ulcer, gastric mucosal lesions, acute gastritis and acute exacerbation of chronic gastritis, obtained marketing approval from the NMPA in December 2024. In July 2025, the Company submitted an application for post-marketing manufacturing site change of Rebamipide tablets to the Jiangsu Medical Products Administration (江蘇省藥品監督管理局). After undergoing technical review, sampling inspection, on-site inspection and comprehensive evaluation for the change of the Drug Production License, the Company received the Record Filing Review Form for Domestic Manufactured Drugs with Manufacturing Site Change on December 8, 2025, successfully completed the change of the newly added manufacturing site, and added the Lianyungang Facility as the contracted manufacturer for this drug.

昂偉達® obtained marketing approval from the NMPA in July 2025. In December 2025, the Company submitted an application for manufacturing site change of 昂偉達® to the Jiangsu Medical Products Administration. At present, the technical review, sampling inspection and on-site inspection for the change of the Drug Production License have been completed, and the Jiangsu Medical Products Administration is conducting the approval of the change of the Drug Production License and the comprehensive evaluation of the site change.

Strengthening Intellectual Property Layout to Fortify the Barrier for Innovative Development

During the Reporting Period, the Company attached great importance to the construction of the intellectual property (IP) system, continuously intensified the patent layout for core technologies, and steadily improved the global IP protection network. A total of 40 new patent applications were filed throughout the year, including:

- 6 Patent Cooperation Treaty (PCT) patent applications
- 25 domestic patent applications
- 9 overseas patent applications

Through the systematic and global patent layout, the Company has further consolidated its technical barriers in the fields of innovative drugs, generic drugs and characteristic active pharmaceutical ingredients, which provides strong support for the long-term sustainable development of the Company.

CHAIRMAN'S STATEMENT

Dear Shareholders and partners,

Thank you for your long-standing support and trust in Vigonvita.

2025: A YEAR OF MILESTONES

In 2025, the national "15th Five-Year Plan" designated the bio-pharmaceutical industry as a strategic pillar, and six ministries jointly issued the Action Plan for the Innovative Development of the Bio-pharmaceutical Industry (2025-2028), providing comprehensive policy support for innovation across the entire value chain. The capital market experienced a moderate recovery, with Hong Kong Exchanges and Clearing Limited (HKEX) returning to the top spot globally in terms of IPO proceeds. Against this opportunity-rich economic backdrop, and with the trust and support of our investors, the Company was successfully listed on the Main Board of the Stock Exchange in November 2025, ushering in a new chapter in its development.

Time flies, and the year 2025 has drawn to a successful close. I am deeply gratified by the progress our team has achieved over the past year, and on behalf of the Board, I am pleased to present to you the Company's first annual report following its Listing. In 2025, the Company made solid progress in product research and development, commercial operations and corporate governance, delivering encouraging results.

FOCUSING ON CORE THERAPEUTIC AREAS, BUILDING DIFFERENTIATED COMPETITIVE ADVANTAGES

Vigonvita specializes in the discovery and development of novel drugs in three therapeutic areas: neuropsychiatry, reproductive health and viral infection. In the field of viral infection, the Company is dedicated to developing First-in-Class drugs that address urgent unmet clinical needs. In the field of reproductive health, we are committed to developing Best-in-Class drugs. The Company has established a comprehensive industry chain system covering "lead discovery for innovative drugs – druggability evaluation – pre-clinical research – clinical research – manufacturing – commercialization", focusing on therapeutic areas with substantial market potential, and staying well-positioned for promising growth prospect.

ACHIEVING SURGING REVENUE, MARKING A NEW PHASE OF DEVELOPMENT

In 2025, the Company recorded revenue of RMB102,096,000, representing a year-on-year increase of 762.9%, marking the Company's official entry into a new phase of sustained and rapid revenue growth driven by innovative pharmaceutical products.

RECEIVING MARKETING APPROVAL FOR 昂偉達®, WITNESSING COMMERCIALIZATION IN FULL SWING

昂偉達® obtained the drug registration certificate issued by the NMPA in July 2025, officially entering the commercialization phase. Based on the product characteristics and target market channels, the Company has adopted a digital marketing model, completed establishment of the commercialization team, and built an omni-channel sales matrix. Currently, the 昂偉達® official flagship store has been launched on six major mainstream platforms: JD.com, Tmall, Meituan, Pinduoduo, Douyin and WeChat, fostering a full-chain conversion system from new user acquisition to brand loyalty cultivation through new media operations.

ADVANCING R&D PIPELINE STEADILY, RECORDING UPLIFTING CLINICAL PROGRESS

We remained committed to a patient-centric approach, converting high-quality clinical data into high product value, and delivering superior therapeutic options to patients.

VV116: an oral nucleoside analog with broad-spectrum antiviral potential, successfully completed the Phase II clinical trial in 2025 for the RSV indication of its dry suspension, and was included in the Breakthrough Therapy Designation by the CDE.

LV232: the Company's investigational novel anti-depression drug candidate, is expected to have the advantages of lower peripheral side effects and faster onset of action compared with traditional antidepressant, and has completed the first patient enrollment in its Phase II clinical trial in March 2025.

VV913: a novel investigational drug candidate for premature ejaculation developed by the Company, demonstrated significant in vivo efficacy and the prominent advantage of "on-demand administration", according to pre-clinical studies, and has obtained the implicit approval for clinical trials granted by the NMPA in January 2026.

CONTINUOUSLY ENHANCING COMMERCIALIZATION CAPABILITIES AND COMPLIANCE STANDARDS

The Company is steadily advancing the market access and academic promotion of 昂偉達®, continuously strengthening its commercialization capabilities. Meanwhile, we strictly comply with the requirements of the Stock Exchange and domestic and overseas regulatory authorities, further improve the corporate governance structure, and enhance the risk prevention and control system, in a view of ensuring the Company's standardized, stable and sustainable operation.

OUTLOOK FOR 2026

Looking ahead to 2026, the Company will focus on the following strategic initiatives, rewarding the trust and support of Shareholders with outstanding performance:

- Accelerate clinical development of pipeline products, striving to achieve key milestone nodes;
- Continuously increase sales revenue from marketed products and expand market share;
- Actively pursue international collaborations, drive global expansion of products, and enhance global competitiveness.

CODA

Forging ahead, we still maintain high confidence and spirit. With the business philosophy of "efficient R&D innovation, robust business development", we are committed to becoming a biopharmaceutical enterprise with global influence, contributing to the cause of human health.

Tian Guanghui
Chairman of the Board, Executive Director, Chief Executive Officer and General Manager
March 31, 2026

Disclaimer on Forward-Looking Statements: The forward-looking statements contained in this statement regarding future plans, expectations and strategies are made based on the Company's current expectations of future events and financial performance, and are subject to uncertainties and risks. Such statements do not constitute substantive commitments by the Company to investors, and actual results may differ materially from expectations.

I BUSINESS REVIEW

CORPORATE OVERVIEW

The Company was established in 2013, and its H Shares were listed on the Main Board of the Stock Exchange on November 6, 2025. The Company is an innovation-driven biopharmaceutical company committed to improving patients' health and quality of life. The Company is dedicated to the development of novel drugs in the fields of neuropsychiatry, reproductive health and viral infection. The Company has established an integrated functional and fully internally controlled system covering the whole industrial chain from lead discovery for innovative drugs, druggability evaluation, pre-clinical and clinical research to manufacturing and commercialization, thereby enabling the rapid and efficient transformation of candidate drugs from laboratory research to clinical application.

As a biopharmaceutical company with end-to-end capabilities, the Group is dedicated to the discovery, development, and commercialization of small molecule drugs. The Group can efficiently and cost-effectively bring its drug candidates from bench to bedside, and address urgent and significant unmet clinical needs.

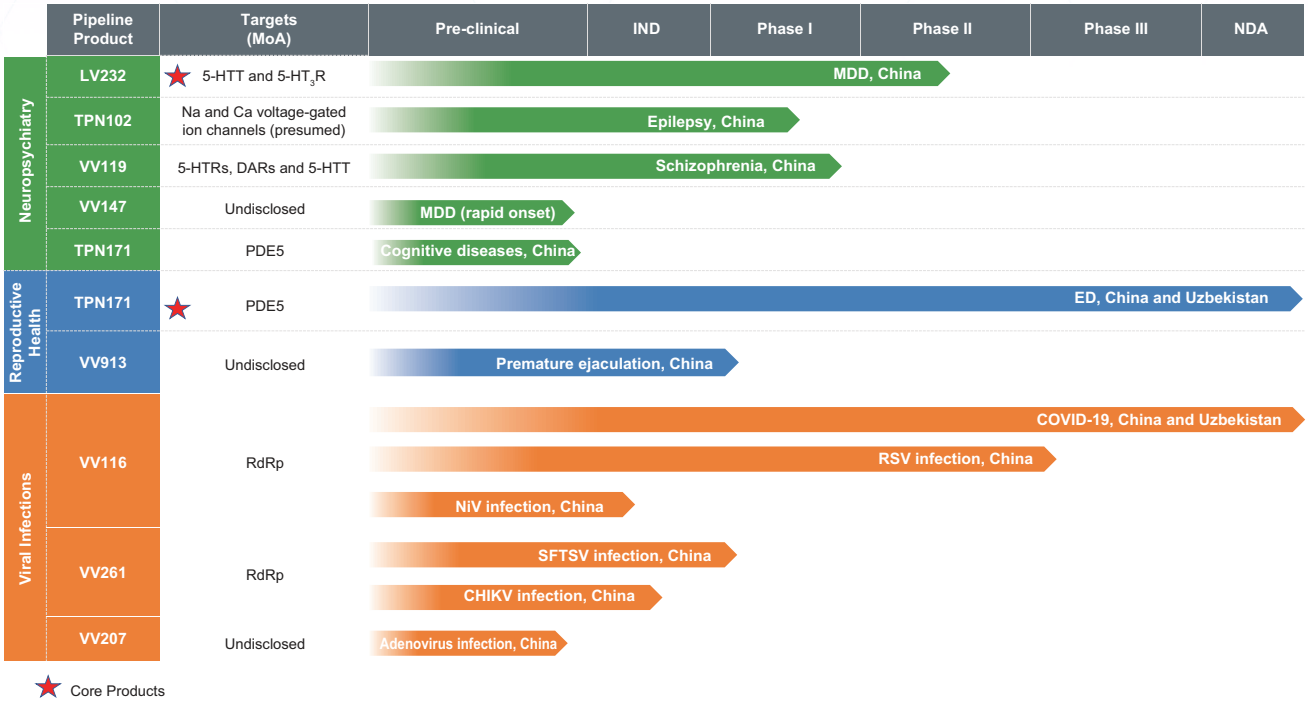
The Group's R&D centers are located in Suzhou and Shanghai with an aggregate gross floor area ("**GFA**") of over 8,000 sq.m. As of December 31, 2025, the Group has established a dedicated in-house R&D team of 145 members with an average of more than 10 years of industry experience and more than 60% of our R&D team members held master's or above degrees. The functions of our R&D team span the entire spectrum of lead discovery and optimization, druggability evaluation and pre-clinical candidate (PCC) identification, pre-clinical research, chemistry, manufacturing and controls processes ("**CMC**"), clinical study and regulatory affairs.

The Group has one GMP-standard commercial-scale manufacturing facility located in Lianyungang, Jiangsu Province, with an aggregate GFA of approximately 51,955 sq.m., housing one workshop for small molecule drugs in oral solid dosage forms and one workshop for APIs, with an annual designed manufacturing capacity of 100 million capsules and 600 million tablets. The in-house manufacturing capability of the Group enhances the efficiency of its development and manufacturing processes, enables reliable quality and cost control, and ensure stable and timely clinical and commercial drug supply to weather any supply chain disruptions.

The Group has established a dedicated business development and commercialization team of 50 employees with extensive industry experience as of December 31, 2025, which will provide strong support for the commercialization of the Group's approved and marketed drugs. Moreover, the Group upholds an open and collaborative mindset and proactively pursue licensing and collaboration arrangements with leading industry players to maximize the clinical and commercial value of its assets.

PRODUCT PIPELINE

To date, the Group has developed a highly competitive and differentiated product pipeline of nine innovative drugs, including two in commercial stage, four in clinical stage and three in pre-clinical stage.



In addition to the innovative pipeline, the Group is also advancing a generic drug pipeline, which serves as a strategic complement to our business by generating visible and recurring revenue streams and cash flows, thereby enhancing its overall resilience.

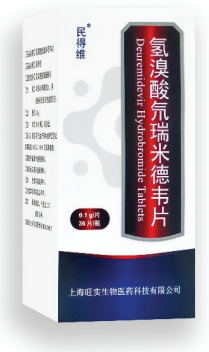
APPROVED ASSETS

民得維® (Deuremidevir hydrobromide (VV116) tablets)

VV116 is an oral nucleoside RNA-dependent RNA polymerase (RdRp) inhibitor with broad-spectrum antiviral potential. Its tablet formulation is indicated for the treatment of COVID-19 infection and has obtained marketing approval in China (trade name: 民得維®) and Uzbekistan (trade name: Mindvy®). 民得維® is the first non-genotoxic oral nucleoside-based antiviral drug for COVID-19 that has received regular approval, demonstrating significant clinical efficacy, a favorable safety profile and minimal drug-drug interactions, with few contraindications for combined use of medications.

Pre-clinical studies have shown that VV116 exhibits significant antiviral activity against COVID-19. At the cellular level, VV116 demonstrates strong inhibitory activity against both the original and major known mutant strains of COVID-19. In mouse model infected with the original strain of COVID-19, VV116 can reduce the viral titers in the lungs to below the detection limit; in the mouse model infected with the Delta variant of COVID-19, VV116 can significantly reduce the viral titers in the lungs of the mice.

Packaging of 民得維®



Packaging of MINDVY®

昂偉達® (Semenafil hydrochloride (TPN171) tablets)

TPN171 is a highly active and highly selective type-5 phosphodiesterase (PDE5) inhibitor with a novel chemical structure. Its tablet formulation for the indication of erectile dysfunction has been approved for marketing in China (brand name: 昂偉達®) and Uzbekistan (brand name: Onvita®). 昂偉達® demonstrates a significant clinical efficacy, a favorable safety profile, a wide range of patient populations and diverse applications, and has the potential to become a best-in-class drug.

Packaging of 昂偉達® in China

Packaging of ONVITA® in Uzbekistan

Pre-clinical studies have shown that TPN171 exhibits potent inhibitory activity against PDE5 (with an IC50 of 0.62 nM), and can significantly enhance penile erectile function in SD rats, Beagle dogs and rabbits. Phase III clinical trials have shown that TPN171 tablets deliver significant clinical efficacy, with a recommended clinical starting dose lower than that of marketed drugs with the same target. For patients taking TPN171 tablets at doses of 2.5 mg, 5 mg and 10 mg as required, the vaginal penetration success rates of each group reached 88.67%, 90.33% and 92.02%, respectively (representing an increase of 40.58%, 42.43% and 43.98%), the sexual intercourse success rates reached 70.52%, 72.09% and 74.65%, respectively (representing an increase of 61.91%, 63.70% and 65.19%), and the International Index of Erectile Function erectile function (IIEF-EF) domain scores reached 25.7, 25.6 and 26.1 points, respectively (representing an increase of 12.3, 12.3 and 12.7 points), approaching the normal level (a score of ≥26 is considered as normal).

TPN171 tablets have a rapid onset of action, which can exert therapeutic effect within 30 minutes after oral administration, allowing for immediate use as required. The drug has a moderate duration of action with a half-life of 8 to 11 hours, which aligns with people's daily routine. The therapeutic efficacy of TPN171 tablets is not affected when taken with moderate amounts of alcoholic beverages. TPN171 tablets are applicable to a wide range of patient populations, and the results of Phase I clinical trials have shown that the drug can be used in special populations including elderly individuals, patients with mild to moderate liver impairment, and patients with mild to severe renal impairment.

TPN171 tablets have outstanding safety profiles, with a lower incidence rate of clinical adverse reactions compared to that of marketed drugs with the same target. Phase III clinical trials have shown that the incidence rate of common adverse reactions such as headache (2.6%, 3.2%, 3.7%) and dyspepsia (0%, 0.5%, 0.5%) was even lower in the 2.5 mg, 5 mg and 10 mg dose groups of TPN171 tablets. TPN171 tablets exhibits weak inhibitory activity against other PDE subtypes (associated with adverse effects), thus resulting in no or rare occurrence of relevant adverse reactions. For example, no adverse reactions such as visual abnormalities (associated with PDE6), back pain and myalgia (associated with PDE11) were observed, and the incidence rate of facial flushing (associated with PDE1) was even lower than that of sildenafil.

Rebamipide

Rebamipide is an endogenous mucosal protective agent for the treatment of various gastrointestinal diseases. It works by inducing the expression of cyclooxygenase-2 in the gastric mucosa, which increases the synthesis of prostaglandin E2 in the gastric mucosa. It also enhances gastric mucosal blood flow and mucus secretion, promotes the expression of epithelial growth factor genes in the gastric mucosa, thereby preventing the occurrence of ulcers and promoting ulcer healing. The brand-name drug was developed by Otsuka Pharmaceutical Co., Ltd. for the treatment of gastric ulcers, gastric mucosal lesions, acute gastritis, and the acute exacerbation of chronic gastritis. It was approved for marketing by the Pharmaceuticals and Medical Devices Agency (PMDA) in December 1990. The Group obtained marketing approval of this product from the NMPA in December 2024.

Dapoxetine

Dapoxetine is a selective serotonin reuptake inhibitor used in the treatment of PE. The brand-name drug, developed by Eli Lilly, received marketing approval from the NMPA in December 2010. With a relatively short metabolic cycle and high adaptability, selective serotonin reuptake inhibitors (SSRIs), including dapoxetine have become a gold standard in the PE field according to CIC. In October 2023, the Group received approval for the finished dosage form, dapoxetine hydrochloride tablets (30 mg).

Clinical-stage assets

1. LV232

LV232, a Core Product of the Group, is a potential first-in-class dual-target 5-HTT/5-HT_3 receptor modulator. With a unique mechanism of action, the two targets of LV232 work synergistically, enhancing the antidepressant effects while reducing the severity of common gastrointestinal side effects, such as nausea and vomiting. The Group initiated a Phase II clinical trial of LV232 for the treatment of depressive disorder in China in April 2025, and expects to complete the trial in the second half of 2026. The Phase III clinical trial is scheduled to commence in the first half of 2027 and is expected to be completed by the end of December 2028. It is planned to submit an NDA application for LV232 in February 2029 and obtain drug registration approval by the end of June 2030.

In more than 100 healthy subjects in the completed Phase I clinical trials of LV232, all adverse reactions were in Grade 1 severity and fully reversible. Given its high safety profile and patient adherence, LV232 is expected to have an extremely low discontinuation rate as compared that of traditional selective serotonin reuptake inhibitor (SSRI) antidepressants, which could significantly improve its effectiveness in treating depression. In addition, pre-clinical studies have shown that LV232 demonstrates significant antidepressant effects in various depression animal models; LV232 has demonstrated good efficacy in animal models of pain, and is expected to improve the physical symptoms of depression, including pain.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET LV232 SUCCESSFULLY.

2. VV116 RSV indications

RSV is a RNA virus that could pose a persistent threat to children, the elderly and immunocompromised population. VV116 is the only clinical-stage drug candidate for the treatment of RSV infection targeting RdRp in China. In May 2023, we received IND approval from the NMPA to conduct Phase I clinical trials of VV116 dry suspension. As of December 31, 2025, VV116 dry suspension had been included in the list of Breakthrough Therapy Designation by the CDE, which is indicated for the treatment of RSV infection. Based on the efficacy and safety data from the Phase II clinical study, the Recommended Phase 2 Dose (RP2D) for the Phase III clinical study was determined, on the basis of which the Group conducted an End-of-Phase 2 (EOP2) meeting with the CDE in December 2025 prior to the pivotal clinical study, and the product has entered the Phase III clinical study. The Group's clinical development strategy focuses on pursuing fast market entry while exploring extensive opportunities for expanding indications and patient populations after receiving marketing approval.

In December 2025, the Company formally entered into a license agreement with Simcere Pharmaceutical in respect of the new indications of VV116. The Company will grant Simcere Pharmaceutical the exclusive development, manufacturing and commercialization rights of VV116 for the indications of RSV infection and human metapneumovirus (HMPV) infection, across the Greater China region (including the Chinese mainland, Hong Kong, the Macao Special Administrative Region and the Taiwan region). The Company will be entitled to an upfront payment, milestone payments, and sales royalties after the product has been approved for marketing.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET VV116 FOR THE TREATMENT OF RSV INFECTION SUCCESSFULLY.

3. TPN 102

TPN102 is a novel antiepileptic drug candidate. Pre-clinical study results have indicated that, in various animal models of refractory epilepsy, TPN102 demonstrates superior efficacy over the positive control drugs (topiramate and zonisamide), which exhibits weaker inhibitory activity against carbonic anhydrase II, an enzyme associated with the growth and development of children, than the positive control drugs. It is expected to be more suitable for the treatment of paediatric patients with epilepsy. The Group obtained IND approval from the NMPA for conducting clinical trials of TPN102 for the treatment of epilepsy in June 2018. As of December 31, 2025, TPN102 was in the Phase I clinical stage.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TPN102 SUCCESSFULLY.

4. VV119

VV119 is an independently discovered, multi-target serotonin-dopamine activity modulator for the treatment of psychiatric disorders, especially schizophrenia. As a prodrug, VV119 and its major active metabolite can act through a combination of antagonistic activity at the D_3 receptor, partial agonistic activity at the D_2 receptor, partial agonistic activity at the $5\text{-}HT_{1A}$ receptor, partial agonistic activity at the $5\text{-}HT_{2A}$ receptor, and inhibitory activity on the 5-HT transporter. VV119 adopted a multi-target strategy and acts as a serotonin-dopamine activity modulator. It has a long half-life and holds potential for development as a long-acting formulation. Pre-clinical data has shown that VV119 may improve positive symptoms, negative symptoms, and cognitive function in schizophrenia while also reducing the risk of extrapyramidal side effects. These potential clinical benefits position VV119 as an enhanced treatment option, promoting better patient adherence. VV119 received IND approval for conducting Phase I and Phase II clinical trials of VV119 for the treatment of schizophrenia from the NMPA in September 2023. As of December 31, 2025, VV119 was in Phase I clinical stage.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET VV119 SUCCESSFULLY.

5. VV261

VV261 is a novel nucleoside prodrug with broad-spectrum antiviral potential. Once administered, it is converted into its active nucleoside triphosphate form, which inhibits the RNA-dependent RNA polymerase (RdRp) of the severe fever with thrombocytopenia syndrome virus ("**SFTSV**"), disrupting the viral transcription and genome replication processes to effectively treat SFTSV infection. The active form of VV261 targets the highly conserved active site of viral RdRp, suggesting a high barrier to resistance. Pre-clinical study results demonstrated that VV261 potently inhibits SFTSV with a clear dose-response relationship, and offers advantages such as high oral bioavailability and good safety. Furthermore, VV261 exhibits broad-spectrum antiviral potential, showing strong inhibitory effects against a range of RNA viruses, including chikungunya virus, coronaviruses, influenza virus, and arena virus. In August 2024, the Group obtained the IND approval from the NMPA for conducting clinical trials of VV261 for the treatment of SFTSV. As of December 31, 2025, VV261 was in the Phase I clinical stage.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET VV261 SUCCESSFULLY.

Future and Outlook

The Group intends to capitalize on our competitive strengths by pursuing the following strategies:

- Rapidly advance the clinical development of our drug candidates;
- Continue to enhance our R&D capabilities and further expand our pipeline;
- Continue to strengthen our commercial capabilities and explore partnership opportunities to maximize the value of our pipeline assets.

II FINANCIAL REVIEW

Revenue

The Group's revenue increased significantly from RMB11.8 million in 2024 to RMB102.1 million in 2025, primarily due to (i) the rapid increase in sales of RMB53.8 million for a new drug following its commercialization by the Group in 2025, (ii) an upfront payment of RMB30.0 million received by the Group in 2025 under the license agreement formally entered into with a customer, and (iii) a significant increase in revenue from transfer of IP rights of RMB10.0 million in relation to a patent transfer agreement we entered into in 2025.

Cost of sales

	Year Ended December 31,	
	2025	2024
	RMB'000	RMB'000
Royalties	**2,014**	1,622
Staff costs	**834**	1,607
Material costs	**3,423**	636
Depreciation and amortization	**14,669**	3,961
Others	**477**	519
	21,417	8,345

The Group's cost of sales increased from RMB8.3 million in 2024 to RMB21.4 million in 2025, mainly due to (i) an increase of RMB10.7 million in depreciation and amortization, of which production-related depreciation increased by RMB7.2 million with the progress of the construction of the Lianyungang Facility, and an increase in amortization of intangible assets of RMB2.8 million formed after the commercialization of the Group's products; and (ii) an increase of RMB2.8 million in material costs due to the fact that the growth in product sales also gave rise to an increase in material costs.

Gross profit and gross profit margin

	Year Ended December 31,			
	2025		2024	
	Gross Profit RMB'000	Gross Profit Margin %	Gross Profit RMB'000	Gross Profit Margin %
Sales of pharmaceutical products	**48,138**	**83.2**	72	4.9
Out-licensing income	**32,573**	**96.4**	3,480	68.2
Transfer of IP rights	**10,000**	**100.0**	–	–
CRO services	**2**	**0.4**	2,750	52.4
Subtotal	**90,713**	**88.9**	6,302	53.3
Depreciation and amortization of unallocated production overheads	**(10,034)**		(2,815)	
Total	**80,679**	**79.0**	3,487	29.5

As a result of the foregoing, the Group's gross profit increased from RMB3.5 million in 2024 to RMB80.7 million in 2025. The Group's gross profit margin increased from 29.5% in 2024 to 79.0% in 2025, mainly due to (i) payments from milestones and assignment of rights contributed nearly half of the Group's revenue in 2025, with relatively low corresponding cost of sales; and (ii) the high gross profit margin from sales of a commercialized product commencing in 2025.

Other income

The Group's other income increased from RMB8.1 million in 2024 to RMB17.0 million in 2025, mainly due to an increase of RMB8.8 million in government grants from PRC government authorities as incentives for the Group's research and development activities and talent development.

Other gains and losses, net

The Group's other gains and losses, net decreased from a gain of RMB0.2 million in 2024 to a loss of RMB3.2 million in 2025, mainly due to an exchange loss of RMB2.8 million arising from fluctuations in international exchange rates.

Research and development expenses

	Year Ended December 31,	
	2025	2024
	RMB'000	RMB'000
Trial and testing expenses	**51,551**	56,723
Employee benefit expenses	**42,269**	44,968
Share-based compensation expenses	**76,462**	–
Depreciation and amortization	**12,810**	13,555
Material costs	**9,591**	10,809
Utilities and office expenses	**7,165**	6,333
Others	**2,654**	2,475
	202,502	134,863

The Group's research and development expenses increased from RMB134.9 million in 2024 to RMB202.5 million in 2025, primarily due to an increase in share-based compensation expenses of RMB76.5 million, which was related to the restricted share scheme the Group adopted in January 2025. Such increase was partially offset by a decrease in trial and testing expenses of RMB5.1 million, which was mainly in line with the evolving progress of clinical trial status of different product candidates. Specifically, the Group commenced a Phase III clinical trial of TPN171 for the treatment of ED in China in 2024, which enrolled 471 patients and had been substantially completed by the end of 2024.

Administrative expenses

	Year Ended December 31,	
	2025	2024
	RMB'000	RMB'000
Employee benefit expense	**27,317**	23,943
Share-based compensation expenses	**104,207**	14,745
Depreciation and amortization	**10,806**	14,533
Utilities and office expenses	**6,427**	5,712
Professional service fees	**11,320**	3,854
Others	**3,698**	2,284
	163,775	65,071

The Group's administrative expenses increased significantly from RMB65.1 million in 2024 to RMB163.8 million in 2025, primarily due to an increase in share-based compensation expenses of RMB89.5 million, which was in relation to the restricted share scheme the Group adopted in January 2025.

SELLING EXPENSES

	Year Ended December 31,	
	2025	2024
	RMB'000	RMB'000
Marketing, promotion and advertising expenses	**29,672**	791
Employee benefit expenses	**7,996**	2,855
Share-based compensation expenses	**3,503**	–
Office expenses	**3,673**	598
Others	**651**	77
	45,495	4,321

The Group's selling expenses increased from RMB4.3 million in 2024 to RMB45.5 million in 2025, primarily due to (i) an increase in share-based compensation expenses of RMB3.5 million, which was in relation to the restricted share scheme the Group adopted in January 2025; (ii) an increase of RMB5.1 million in employee benefit expenses mainly because the Group hired more sales personnel in 2025; and (iii) an increase of RMB28.9 million in marketing, promotion and advertising expenses, mainly due to more extensive marketing activities carried out by the Group in 2025 to promote sales of a new product.

IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Impairment losses recognized/(reversed) on		
– trade receivables	**2,000**	3,237
– other receivables	**(4)**	(109)
– contract assets	**1,184**	(341)
	3,180	2,787

The Group's impairment losses under ECL model, net of reversal increased from RMB2.8 million in 2024 to RMB3.2 million in 2025, mainly due to an increase in impairment losses on contract assets of RMB1.5 million, mainly in relation to our individual assessment of the credit risk and recognition of impairment losses for two customers, partially offset by a change of RMB1.2 million, arising from a decrease in impairment losses on trade receivables in 2025, compared to the impairment losses on trade receivables in 2024.

LOSS FOR THE YEAR

Based on the factors described above, the Group recorded a loss of RMB357.1 million for the year ended December 31, 2025, compared with a loss of RMB217.6 million for the year ended December 31, 2024.

Basic and diluted loss per Share

The Group's basic and diluted loss per Share increased from RMB1.45 in 2024 to RMB2.33 in 2025, mainly due to a wider loss, which was primarily attributable to the restricted share scheme the Group adopted in January 2025.

Property, plant and equipment

The Group's property, plant and equipment primarily includes machinery and equipment, office equipment and fixtures, leasehold improvement, buildings, vehicles and construction in progress.

The Group's property, plant and equipment increased from RMB360.8 million as of December 31, 2024 to RMB513.6 million as of December 31, 2025, primarily due to (i) an increase in buildings, mainly because of the increase in manufacturing facility in Lianyungang of the Group; and (ii) an increase of RMB151.7 million in construction in progress, which mainly in relation to the establishment of our R&D center in Suzhou.

Trade receivables

The Group's trade receivables primarily represent the balances due from the product out-licensing, provision of CRO services and the sales of pharmaceutical products.

The Group's trade receivables decreased from RMB8.7 million as of December 31, 2024 to RMB6.7 million as of December 31, 2025, primarily due to a decrease in sales royalties generated by the Group from the out-licensing.

Prepayments and other receivables

The Group's prepayments and other receivables mainly consist of (i) prepayments for purchase of materials and research and development services, representing prepayments to service providers for our pre-clinical and clinical research and development; (ii) deferred issue costs, representing deferred listing expense in relation to the Global Offering; (iii) other receivables; (iv) deposits; and (v) prepayments for short-term rental and property management fee.

The Group's prepayment and other receivables decreased from RMB8.0 million as of December 31, 2024 to RMB2.9 million as of December 31, 2025, mainly due to (i) a decrease in deferred issue costs; and (ii) a decrease in prepayments for research and development services in line with the progress of clinical trials.

Trade and other payables

The Group's trade and other payables primarily consist of (i) trade payables for research and development expenses; (ii) accrued research and development expenses; (iii) payables for construction in progress; (iv) accrued staff costs and benefits; (v) accrued listing expenses and issue costs; (vi) professional service fees related to accrued sales and administrative expenses; (vii) payables in respect of acquisition of intangible assets; (viii) payables for machinery and equipment; (ix) payables for property management fee; (x) other tax payables; and (xi) deposits.

The Group's trade and other payables increased from RMB126.2 million as of December 31, 2024 to RMB184.5 million as of December 31, 2025, mainly due to (i) the increase in the Group's payables for construction in progress according to construction progress; (ii) the Group's payables for the acquisition of intangible assets increased from RMB2.8 million as of December 31, 2024 to RMB18.6 million as of December 31, 2025, primarily because of the Group's provision for milestone payments based on the progress of research and development; and (iii) an increase in payables related to marketing activities undertaken by the Group for product commercialization.

Liquidity and Capital Resources

As at December 31, 2025, the Group's cash and bank balances (including time deposits with a maturity of over three months as well as cash and cash equivalents) amounted to RMB447,974 thousand, representing an increase of 269.81% compared with RMB121,135 thousand as at December 31, 2024. The increase in cash was mainly attributable to the collection of sales revenue, proceeds from interest-bearing bank borrowings and the increase in capital contributions from shareholders during the Reporting Period.

The Directors are of the opinion that, taking into account the financial resources available to our Group, the Group has available sufficient working capital to meet its current requirements. The Group will continue to monitor the cash flows from operations closely and strive to maintain a sound liquidity position for the Group's business.

Debt

As at December 31, 2025, the Group's borrowings were interest-bearing bank borrowings, which amounted to RMB599,966 thousand (December 31, 2024: RMB374,128 thousand).

Asset Mortgages

The following assets held by the Group are pledged as collateral to secure the bank loans:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Buildings	**235,058**	224,755
Land use rights	**80,591**	83,163
Construction in progress	**232,445**	63,630
Machinery and equipment	**14,339**	16,391
	562,433	387,939

Capital Expenditures and Capital Commitments

For the year ended December 31, 2025, the Group had capital commitments of approximately RMB116,032 thousand for the contracts in relation to acquisition of property, plant and equipment and other intangible assets (for the year ended December 31, 2024: RMB203,430 thousand).

KEY FINANCIAL RATIO

The table below sets forth the Group's key financial ratio as of the dates indicated:

	Year ended December 31,	
	2025	2024
Current ratio[1]	1.1	0.5
Gearing ratio[2]	0.7	0.8

Notes:

(1) Current ratio equals to current assets divided by current liabilities.

(2) Gearing ratio is calculated based on total liabilities divided by total assets.

For the year ended December 31, 2025, the current ratio of the Group was 1.1, compared with 0.5 for the year ended December 31, 2024. This increase was mainly attributable to the increase in bank balances and cash during the Reporting Period. For the year ended December 31, 2025, the gearing ratio of the Group was 0.7, compared with 0.8 for the year ended 31 December 2024. Such decrease was mainly attributable to the receipt of proceeds from the Global Offering, which led to a significant optimization of the Group's capital structure.

CONTINGENT LIABILITIES

As at December 31, 2025, the Group did not have any material contingent liabilities (As at December 31, 2024: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group's financial statements were expressed in RMB. However, certain financial assets at fair value through profit or loss and other payables of the Group are denominated in foreign currencies which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

LISTING EXPENSES

As at December 31, 2025, the listing expenses recognized in the consolidated statement of profit or loss of the Group amounted to RMB23,106 thousand. (December 31, 2024: RMB6,187 thousand).

On October 9, 2025, the Company entered into some financing agreements with three independent third parties (the "**Financial Service Providers**"), pursuant to which the Financial Service Providers provide advisory services related to the Company's IPO, including identifying and introducing investors. In November 2025, the aggregate service fees amounted to approximately RMB33,428,000 were paid to these Financial Service Providers. In the opinion of the management, the service fees were considered as the incremental costs directly attributable to issue of shares in the Listing and shall be accounted for as a reduction from equity.

EMPLOYEES AND REMUNERATION

As of December 31, 2025, the Group employed 315 employees (As of 31 December 2024: 286 employees), 311 of whom were based in China, four of whom were based in Uzbekistan. The following table sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number of employees	Percentage
Research and development	145	46.03%
Manufacturing	22	6.98%
Quality control and quality assurance	26	8.25%
Business development, sales and marketing	50	15.87%
Others	72	22.87%
Total	315	100.00%

The Group believes the ability to attract, hire, and keep quality employees is indispensable for our success. We primarily recruit employees through job websites and recruitment agencies, taking into account factors including work experience, education, and professional competence. We offer competitive remuneration packages based on qualifications and experience. To ensure compliance with PRC labor laws, we enter into standard individual employment agreements with our employees, covering matters such as terms, wages, bonuses, employee benefits and grounds for termination. We also enter into confidentiality and non-competition agreements with our employees. In general, the Group determines the remuneration package based on the qualifications, position and performance of its employees. The Group also has in place incentive schemes for its employees.

For the year ended December 31, 2025, the total staff costs of the Group amounted to approximately RMB262.8 million (December 31, 2024: RMB85.0 million).

As required by PRC regulations, the Group participates in various government statutory employee benefit plans, including social insurances, namely pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing funds. The Group is required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government regulations from time to time. In addition, the Group offers employees a variety of professional development opportunities and encourage a performance-driven environment. The Group focuses on creating a culture to encourage retention and engagement. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. The Group also provides training and development programs to our employees from time-to-time to achieve talent growth.

As of the end of the Reporting Period, the Group had a labor union. The Group believes that we have maintained good working relationships with our employees. During the Reporting Period, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with occupational health and safety laws or regulations, and had not experienced any strikes, labor disputes or industrial actions which have had a material effect on our business.

The remuneration of the Directors and senior management is reviewed by the remuneration and appraisal committee and approved by the Board. The relevant experience, duties and responsibilities, time commitment, working performance and the prevailing market conditions are taken into consideration in determining the emoluments of the Directors and senior management.

SIGNIFICANT INVESTMENTS

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

MATERIAL ACQUISITIONS AND DISPOSALS

There is no material acquisitions and disposals of subsidiary, associates and joint ventures during the Reporting Period.

FUTURE PLAN FOR SIGNIFICANT INVESTMENTS OR CAPITAL ASSETS

As of December 31, 2025, the Group had subscribed for two wealth management products issued by two independent third-party institutions, in amounts of HK$38,454,000 (RMB34,732,000) and HK$38,453,000 (RMB34,732,000), respectively. The underlying investment targets of the aforementioned wealth management products are highly liquid, low-risk financial instruments, including U.S. treasury bills with a remaining maturity of less than one year, as well as cash and cash equivalents. The aforementioned wealth management products are principal-guaranteed products with an expected annual yield of 0.5% to 5%. Investments in these wealth management products may be redeemed within five business days at the request of the Group, and the right of redemption is subject to the Group's sole discretion.

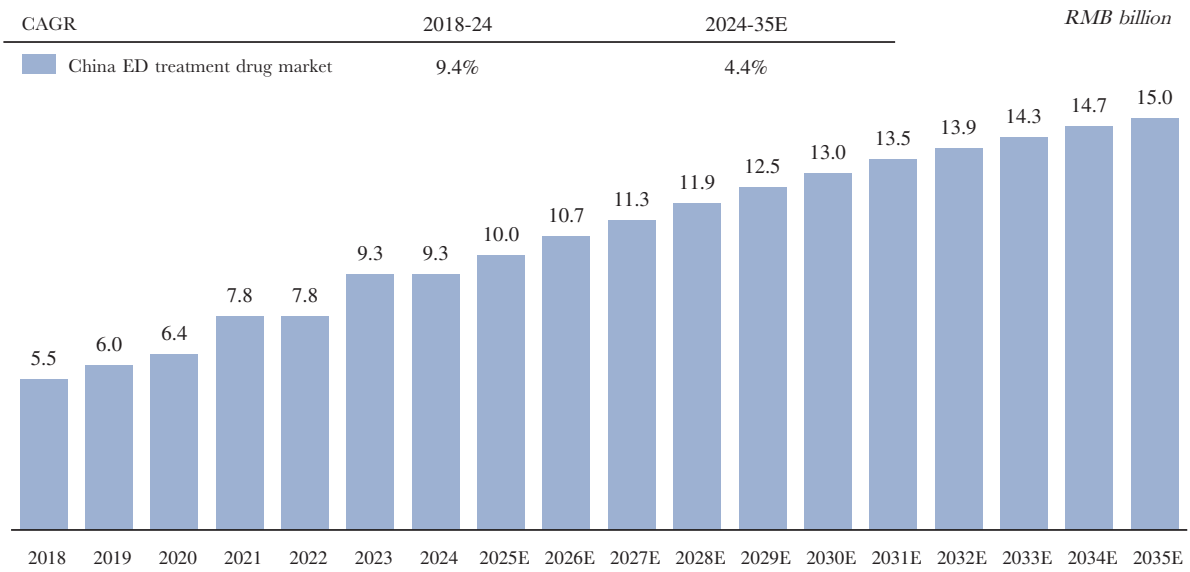
In January 2026, the Group had subscribed for two wealth management products issued by two independent third-party institutions, in amounts of HK$35,124,250 (RMB31,549,000) and HK$16,000,000 (RMB14,423,000), respectively. The Board of the Company conducted five test calculations regarding the purchase of the aforementioned wealth management products and determined that such purchases do not constitute a disclosable transaction under Chapter 14 of the Listing Rules.

As of the date of this annual report, save as disclosed by the Company in this report and other announcements, we did not have other plans for significant investments and capital assets.

OUTLOOK AND PROSPECTS

According to CIC, PDE5 inhibitors are the standard first-line treatment for ED with the global PDE5 inhibitor market reaching US$10.6 billion in 2024. The PDE5 inhibitor market in China grew rapidly from RMB5.5 billion in 2018 to RMB9.3 billion in 2024, representing a CAGR of 9.1%, and is expected to continue to increase significantly with a CAGR of 4.4% to reach RMB15.0 billion in 2035.

Historical and Forecasted Market Size of ED Drugs in China, 2018-2035E



Note: The medical consultation rate for ED in China is significantly lower than the 40-50% observed in developed countries, indicating substantial growth potential as public health awareness improves and medical education expands. Meanwhile, rising disposable income in China is driving an upgrade in pharmaceutical consumption, while expanded medical insurance coverage and improved healthcare channels have enhanced drug accessibility. Furthermore, China's market is still in a developmental phase with considerable room for market cultivation and education. This, coupled with an accelerating aging population and the increasing prevalence of ED-related conditions such as diabetes and cardiovascular diseases, expands the potential patient pool. In contrast, developed markets have reached maturity, with stable consultation rates, consistent drug accessibility, minimal demographic changes, and limited growth drivers.

Source: China Insights Consultancy

Supported by the Healthy China Initiative and pharmaceutical innovation policies, the escalating clinical demand and improved payment environment have jointly driven the innovative drug industry into a stage of high-quality development. Specialty areas such as men's health are characterized by robust demand and broad market potential, which provides a solid development foundation for the Company's innovative drug business. Going forward, the Company will uphold innovation-led development, deepen its commercialization layout, continuously enhance the competitiveness of its products and its market share, and achieve long-term steady growth of its innovative drug business.

Events after the reporting period

Adoption of the H Share Award Scheme

On February 9, 2026, the Board resolved the proposed adoption of the H Share award scheme (the "**H Share Award Scheme**"), to recognize the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group. The Company held an extraordinary general meeting on March 19, 2026 to consider and approve the adoption of the H Share Award Scheme and authorize to the Board to handle matters pertaining to the H Share Award Scheme. The maximum number of Awarded Shares which may be awarded under the H Share Award Scheme shall not exceed 5.0% of the total issued Shares (excluding any Treasury Shares) of the Company as at March 19, 2026, which is 8,379,890 H Shares.

For further details, please refer to the announcement of the Company dated February 9, 2026, the circular dated March 2, 2026 and the announcement of the poll results of the extraordinary general meeting dated March 19, 2026, published by the Company on the websites of the Stock Exchange and the Company.

As of the date of this annual report, the Company has not grant any award under the H Share Award Scheme.

Amendments to the articles of association

On March 31, 2026, in view of (i) upon completion of the issuance and listing of the Company's H Shares on the Main Board of the Stock Exchange on November 6, 2025, in order to reflect the relevant changes in the Company's registered capital after listing, and (ii) the Company's business needs, the Board proposed to make amendments to the Articles of Association and completed the filing of the relevant amendments to the Articles of Association. The amendments to the Articles of Association have been considered and approved at the extraordinary general meeting held by the Company on April 23, 2026.

For further details, please refer to the announcement of the Company dated March 31, 2026, the circular dated April 8, 2026 and the announcement of the poll results of the extraordinary general meeting dated April 23, 2026, published by the Company on the websites of the Stock Exchange and the Company.

Save as disclosed above, the Group did not have any other material subsequent events after the Listing Date and up to the date of this report.

DIRECTORS

Executive Directors

Dr. Tian Guanghui (田廣輝), aged 45, is the chairman of the Board, executive Director, chief executive officer and general manager of our Company. Dr. Tian joined our Company in January 2013 as a chief executive officer and has been a Director and the general manager of our Company since June 28, 2020 and the chairman of the Board since June 14, 2023. He was redesignated as the executive Director in January 2025. He has been the director and the general manager of Vigonvita Lianyungang since December 2019; the director of Yingjiu Health since December 2023 and the director of Qingdao Antai since April 2024. Dr. Tian is primarily responsible for the overall organizational management and operation of our Group.

Dr. Tian has accumulated over 20 years of experience in the pharmaceutical industry. Prior to joining our Company, he worked as a manager at Yunnan Suwangrun Biopharmaceutical Co., Ltd. (雲南蘇旺潤生物醫藥有限公司) from September 2020 to September 2021. Dr. Tian served as a compositing director (合成總監) from August 2011 to December 2014 and worked as a laboratory manager from August 2007 to August 2008 at Topharman Shanghai, a pharmaceutical company specialized in R&D of active pharmaceutical ingredient.

Dr. Tian also served as a supervisor in Shanghai Wangshi Biomedical Technology Co., Ltd. (上海旺實生物醫藥科技有限公司) from December 2021 to March 2023.

Dr. Tian obtained his master's degree and doctor's degree in medicinal chemistry from Shanghai Institute of Materia Medica of the CAS (中國科學院上海藥物研究所) in the PRC in July 2007 and July 2011, respectively. He obtained his qualification as a senior engineer from the Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in August 2019.

Dr. Hu Tianwen (胡天文), aged 36, is the executive Director and deputy general manager of our Company. He was appointed as a Director in June 2023 and deputy general manager of our Company in March 2023. He was redesignated as an executive Director in January 2025. He has been appointed as the general manager of Vigonvita Shanghai since October 2022 and as a director of Vigonvita Lianyungang since June 2023. Dr. Hu is mainly responsible for the management and R&D strategy of our Group.

Prior to joining our Group, Dr. Hu served as a researcher in Topharman Shanghai from July 2016 to September 2022.

Dr. Hu obtained his bachelor's degree in pharmaceutical engineering from Wannan Medical College (皖南醫學院) in the PRC in July 2012. He then obtained his master's degree in pharmacy from Shanghai Institute of Materia Medica of the CAS (中國科學院上海藥物研究所) in the PRC in July 2016. He further achieved his doctor's degree in organic chemistry from Xinjiang Institute of Physics and Chemistry Technology of the CAS (中國科學院新疆理化技術研究所) in the PRC in June 2022.

Non-executive Director

Mr. Liu Haoxuan (劉浩軒), aged 51, is the non-executive Director of our Company. He was appointed as a Director in June 2020 and was redesignated as the non-executive Director in January 2025. He is mainly responsible for overseeing the management and operation of our Group.

Mr. Liu currently serves as an executive director and general manager of Yunnan Suwangrun Biopharmaceutical Co., Ltd. (雲南蘇旺潤生物醫學有限公司), a company primarily engaged in pharmaceutical cosmetics production and wholesale, since September 2021.

Mr. Liu served as an executive director of Yunnan Langrun Biotechnology Co., Ltd. (雲南菠潤生物科技有限公司), a company principally engaged in health products production and sale, from September 2020 to November 2024. Mr. Liu also served as a supervisor at Xiangcheng County Lingshan Tourism Co., Ltd. (襄城縣靈山旅遊有限公司), a company engaged in tourism services, from February 2019 to April 2023. He served as a supervisor at Suzhou AlphaMa Biotechnology Co., Ltd. (蘇州阿爾脈生物科技有限公司), a company principally engaged in biomedicine R&D, from July 2018 to November 2023, and has been serving as a chairman of the board and general manager since November 2023. From May 2021 to February 2022, he served as an executive director and general manager of Hainan Jiukuzhen Technology Development Co., Ltd. (海南九庫甄科技發展有限公司). From December 2019 to October 2020, he served as an executive director at Yunnan Shengtai Biotechnology Co., Ltd. (雲南升泰生物科技有限公司), a company primarily engaged in R&D in biotechnology.

Independent non-executive Directors

Dr. Ju Dianwen (鞠佃文), aged 57, has been an independent director of our Company since March 27, 2023 and redesignated as independent non-executive Director of our Company since January 2025. He is mainly responsible for supervising the corporate governance of our Company and providing independent opinion to our Board.

Dr. Ju has been a researcher of Department of Biomedicines, School of Pharmacy at Fudan University (復旦大學) in the PRC since 2011. Before that, Dr. Ju had successively served as a teaching assistant and lecturer in the Department of Medical Immunology at the Second Military Medical University (中國人民解放軍第二軍醫大學) then as a deputy general manager at Shanghai MediPharm Biotech Co., Ltd. (上海美恩生物技術有限公司), where he was responsible for the R&D in innovative drugs.

Currently, Dr. Ju holds several positions in multiple companies, including (i) as a supervisor of Shanghai Dongci Biotechnology Co., Ltd. (上海東慈生物科技有限公司) since March 2019, (ii) as a scientific advisor of Novatim Immune Therapeutics (Zhejiang) Co., Ltd. (科弈(浙江)藥業科技有限公司) since October 2019, (iii) as a director of Xingshen Biotechnology (Hangzhou) Co., Ltd. (行深生物科技(杭州)有限公司) (previously known as Shanghai Xingshen Biotechnology Co., Ltd. (上海行深生物科技有限公司) since April 2020, (iv) as a director of Shanghai Xinze Venture Capital Management Co., Ltd. (上海莘澤創業投資管理股份有限公司) since December 2019, (v) as an independent non-executive director of Shanghai Bao Pharmaceuticals Co., Ltd. (上海寶濟藥業股份有限公司), a biotech company listed on the Main Board of the Stock Exchange (stock code: 2659), and (vi) as an independent director of Chengdu Olymvax Biopharmaceuticals Technology Co Ltd (成都歐林生物科技股份有限公司). From April 2020 to December 2024, Dr. Ju served as an independent director at Shanghai Baolong Pharmaceutical Co., Ltd. (上海寶龍藥業股份有限公司).

Dr. Ju obtained his bachelor's degree in pharmacy, master's degree in medicine, and doctor's degree in medical immunology from the Second Military Medical University (中國人民解放軍第二軍醫大學) in the PRC in July 1991, July 1994 and June 1999, respectively.

Ms. Cao Xinwen (曹新文), aged 48, has been an independent director of our Company since March 27, 2023 and redesignated as independent non-executive Director of our Company since January 2025. She is mainly responsible for supervising the corporate governance of our Company and providing independent opinion to our Board.

Ms. Cao has accumulated more than 18 years of experience in accounting and management.

Prior to joining our Company, Ms. Cao has been serving as a director of Jiangxi Tianyuan Environmental Protection Group Co., Ltd. (江西天沅環保集團股份有限公司), a company principally engaged in the R&D, production, and sales of fatty acid products from February 2018 to December 2024. She has been serving as the chief accountant of Shanghai Minxing Accounting Firm (上海民興會計師事務所) since February 2013 as well.

Ms. Cao was an executive director of Jiangsu Huifang Enterprise Management Consulting Co., Ltd. (江蘇慧芳企業管理諮詢有限公司), a company principally engaged in business management consulting and software development, and she was responsible for project management from January 2018 to October 2019. She also served as an audit manager at Zhonglei Accounting Firm Shanghai Branch (中磊會計師事務所上海分所) from December 2006 to February 2008. She worked as an auditor at Shanghai Jianxin Bada Accounting Firm (上海建信八達會計師事務所) from May 2003 to November 2006.

In addition, she served as an independent non-executive director at Zhejiang Jinsheng New Materials Co Ltd. (浙江錦盛新材料股份有限公司), an acrylic containers manufacturing company listed on the main board of the Shenzhen Stock Exchange (stock code: 300849) from November 2016 to November 2022.

Ms. Cao obtained her secondary vocational school diploma in financial accounting from Lianyungang Finance and Economics School (連雲港市財經學校) in the PRC in June 1996. She further obtained her bachelor's degree in management studies majoring in accounting from Nanjing University of Finance and Economics (南京財經大學) in the PRC in March 2005 through self studies. Ms. Cao was qualified for intermediate accounting (會計中級) from the Ministry of Finance (財政部) of the PRC in May 2002 and possesses Chinese Certified Public Accountant Certificate.

Dr. Xu Hongxi (徐宏喜), aged 64, has been the independent non-executive Director of our Company since January 2025. He is mainly responsible for supervising the corporate governance of our Company and providing independent opinion to our Board.

Prior to joining our Group, Dr. Xu has been serving as a professor at the Shanghai University of Traditional Chinese Medicine (上海中醫藥大學) since December 2010. He was a deputy director at the Hong Kong Jockey Club Institute of Chinese Medicine (香港賽馬會中藥研究院) from October 2001 to November 2010. He served as a deputy general manager at Hutchison Whampoa (China) Limited (和記黃埔(中國)有限公司) from October 1999 to September 2001, and he was mainly responsible for the business related to Chinese medicines. He worked as a scientific officer at the Chinese Medicinal Material Research Centre of the Chinese University of Hong Kong (香港中文大學中藥研究中心) from September 1998 to September 1999. He served as a research associate at Dalhousie University in Canada from November 1996 to October 1997 and Department of Chemistry of National University of Singapore in Singapore from October 1994 to October 1996.

In addition, he has been serving as (i) an independent non-executive director at Beijing Tong Ren Tang Chinese Medicine Company Limited (北京同仁堂國藥有限公司), a Chinese medicine manufacturing company listed on the Main Board of the Stock Exchange (stock code: 3613) since March 2023 and (ii) a non-executive director at JBM (Healthcare) Limited (健倍苗苗(保健)有限公司), a Hong Kong-based healthcare product marketing and distribution company listed on the Main Board of the Stock Exchange (stock code: 2161) since October 2025.

Dr. Xu obtained his bachelor's degree and master's degree in Chinese materia medica from the Shanghai University of Traditional Chinese Medicine (上海中醫藥大學) in the PRC in July 1983 and April 1989, respectively. Dr. Xu further obtained his Ph.D. degree in pharmaceutical science from the University of Toyama (日本富山醫科藥科大學) in Japan in March 1994. He received the title of "State Specially Recruited Experts" (國家特聘專家) from Organization Department of CCCPC (中共中央組織部) and Ministry of Human Resources and Social Security (人力資源和社會保障部).

SUPERVISORS

Dr. Yang Rulei (楊汝磊), aged 40, is the Chairman of Supervisory Committee. He joined our Company as the director of the formulation department in September 2016 and is mainly responsible for overseeing the formulation department. Since September 2021, Dr. Yang has been appointed as the Chairman of our Supervisory Committee and is primarily responsible for monitoring and supervising the operation of the Company and performing other supervisory duties as a Supervisor.

Prior to joining our Company, Dr. Yang worked as a production manager at Shanghai Wangshi Biomedical Technology Co., Ltd. (上海旺實生物醫藥科技有限公司), a company principally engaged in biomedicine R&D from April 2022 to February 2023. He served as a senior manager of formulation department at Suzhou Suncadia Biopharmaceutical Co., Ltd. (蘇州盛迪亞生物醫藥有限公司), a subsidiary of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600276.SH)), from March 2020 to May 2020. Dr. Yang worked at Chia Tai Tianqing Pharmaceutical Group Co., Ltd. (正大天晴藥業集團股份有限公司) and Suzhou Kelun Pharmaceutical Research Co., Ltd. (蘇州科倫藥物研究有限公司) from August 2012 to March 2015 and April 2015 to September 2016, respectively.

Dr. Yang obtained his bachelor's degree in pharmaceutical engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June 2009. He further obtained his master's degree in pharmacy from Tianjin University (天津大學) in the PRC in June 2012. He obtained his doctor's degree in Chinese medicines from Nanjing University of Chinese Medicine (南京中醫藥大學) in the PRC in September 2024. Dr. Yang is qualified as a senior engineer from the Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in December 2021.

Mr. Zhou Hongju (周洪舉), aged 47, has been appointed as a Supervisor since September 2021. He is mainly responsible for supervising our Board and senior managements and performing other supervisory duties as a Supervisor.

Mr. Zhou has been working at Zhongcai Financial Holding Investment Co., Ltd. (中財金控投資有限公司) since March 2020. He also worked at (i) China International Intellectech Group Co., Ltd. (中國國際技術智力合作集團有限公司) from March 2017 to February 2020, (ii) Beijing Xinkun Guotai Investment Management Co., Ltd (北京鑫坤國泰投資管理有限公司) from January 2016 to February 2017, (iii) Beijing Hongma Tian'an Investment Co. Ltd. (北京紅馬天安投資有限公司) from July 2015 to December 2015, (iv) Dexinhui (Beijing) Investment Management Co., Ltd. from September 2013 to March 2015, (v) China International Intellectech Group Co., Ltd. (中國國際技術智力合作集團有限公司) from December 2009 to July 2013, (vi) Beijing Gabriel Consulting Co., Ltd. (北京美加百利諮詢有限公司) from April 2009 to August 2009 and (vii) Beijing Kewei Computer Co., Ltd. (北京市可為電腦有限公司) from January 2008 to January 2009.

Mr. Zhou obtained his master's degree in law from Central University of Finance and Economics (中央財經大學) in the PRC in January 2015. He obtained the Legal Professional Qualification Certificate of the People's Republic of China in February 2005.

Mr. Li Jian (李建), aged 44, is an employee's representative Supervisor. He has joined our Company as a senior researcher of organic synthesis since December 2013, and was appointed as a supervisor of our Company in March 2021. He is primarily responsible for performing other supervisory duties as a Supervisor.

Prior to joining our Company, he has been serving as a supervisor at Shanghai Synmedia Chemical Co., Ltd. (上海三牧化工技術有限公司) since 2009, a company principally engaged in bulk chemical sales. From May 2022 to February 2023, he worked as a principal researcher at Suzhou Abogen Biosciences Co., Ltd. (蘇州艾博生物科技有限公司), a biotech company, and he was mainly responsible for chemical synthesis. Mr. Li worked as an associate researcher at Ascepion Pharmaceuticals Inc. (蘇州愛斯鵬藥物研發有限責任公司), a company primarily engaged in drug R&D, from November 2012 to May 2013. He served as a team coordinator at AnRun Medical Technology (Suzhou) Co., Ltd. (安潤醫藥科技(蘇州)有限公司) from August 2011 to July 2012. He worked as a researcher at WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 2359) and the Shanghai Stock Exchange (stock code: 603259.SH), from June 2008 to June 2011.

Mr. Li graduated from Yantai University (煙臺大學) in the PRC in July 2004 majoring in biotechnology. He further obtained his master's degree in biochemical engineering from Zhejiang University of Technology (浙江工業大學) in the PRC in June 2008.

SENIOR MANAGEMENT

Dr. Tian Guanghui (田廣輝) is the chairman of the Board, executive Director, chief executive officer and general manager of our Company. For the biographical details of Dr. Tian, please refer to the above "Executive Directors" of this section.

Dr. Hu Tianwen (胡天文) is the executive Director and deputy general manager of our Company. For the biographical details of Dr. Hu, please refer to the above "Executive Directors" of this section.

Dr. Wang Zhiqiang (王志強), aged 51, joined our Company as the deputy general manager in May 2022. He has been appointed as the director and manager of Angweita (Beijing) in July 2025, and primarily responsible for the supervision and execution of clinical trials.

Prior to joining our Group, Dr. Wang had been working at Nanjing Sanhome Pharmaceutical Co. Ltd. (南京聖和藥業股份有限公司) (previously known as Nanjing Sanhome Pharmaceutical Ltd. (南京聖和藥業有限公司)), a company principally engaged in pharmaceutical production, for more than 20 years, taking up various roles and responsibilities. Dr. Wang served as (i) an assistant to the general manager, vice president of the research institute, director of the clinical medicine center and the head of the registration department from September 2021 to May 2022; (ii) a director of clinical medicine center from January 2015 to September 2021; (iii) an assistant to the dean, director of pharmacology office and head of clinical department from January 2013 to December 2014; (iv) an assistant to the dean and director of the pharmacology and clinical office from June 2008 to December 2012; (v) an assistant to the head of R&D department and manager of the analysis office from July 2003 to June 2008; (vi) a project manager from January 2001 to June 2003; and (vii) a researcher from August 2000 to January 2001.

Dr. Wang obtained his bachelor's degree in pharmacology from China Pharmaceutical University (中國藥科大學) in the PRC in July 2000. He obtained his master's degree in pharmaceutical engineering from Nanjing University (南京大學) in the PRC in June 2011. He further obtained his doctor's degree in pharmacology from China Pharmaceutical University in June 2021. Dr. Wang obtained his qualification as a professor level senior engineer from the Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) and Suzhou Municipal Department of Human Resources and Social Security (蘇州市人力資源和社會保障局) in August 2023. He is a licensed pharmacist certified by the Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人事廳) since April 2004.

Ms. Guo Ting (郭婷), aged 42, is the secretary of the Board of our Company. She joined our Company in August 2022 and has been appointed as the joint company secretary in January 2025, and is mainly responsible for the financing and capital operation.

Prior to joining our Group, Ms. Guo served as a secretary of the board at Sinopep Allsino Bio Pharmaceutical Co., Ltd. (江蘇諾泰澳賽諾生物製藥股份有限公司) from September 2015 to August 2022, a company listed on the Shanghai Stock Exchange (stock code: 688076.SH). She served as a department manager at Zhongyi Group Co., Ltd. (中毅集團有限公司) from July 2011 to August 2015, a company principally engaged in real estate investments. Ms. Guo served as a department head at Focused Photonics (Hangzhou), Inc. (聚光科技(杭州)股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300203.SZ) from January 2007 to June 2011, where she was primarily responsible for sales management.

Ms. Guo obtained her bachelor's degree in optical information science and technology from Chongqing University of Posts and Telecommunications (重慶郵電大學) in the PRC in July 2005. She further obtained her master's degree in business administration from Zhejiang University (浙江大學) in the PRC in December 2012. She has been pursuing her doctor's degree in business administration from Lyon University through part-time learning since 2022. Ms. Guo obtained the certificate of senior international finance manager from the Ministry of Human Resources and Social Security of the PRC (中國人力資源和社會保障部) on May 26, 2016 and the certificate of senior carbon emission reduction manager from China Energy Conservation Association (中國節能協會) on May 22, 2023. She is also qualified as a senior economist by Shanghai Municipal Human Resources and Social Security Bureau (上海市人力資源和社會保障局) on December 24, 2023. Ms. Guo obtained the certificate of board secretary by (i) Shanghai Stock Exchange in May 2015 and (ii) Shenzhen Stock Exchange in October 2016.

Ms. Yao Zheng (藥箏), aged 41, is the financial controller of our Company. She joined our Company in July 2022. She has been appointed as the financial controller of Qingdao Antai in April 2024 and the financial controller of Angweita (Beijing) in July 2025. She is mainly responsible for overseeing financial management and investment.

Prior to joining our Company, Ms. Yao served as a financial director at Taizhou EOC Pharma Co., Ltd. (泰州億騰景昂藥業股份有限公司) from November 2019 to June 2022. She also served as a financial director at Shanghai Purity Media Co., Ltd. (上海千足文化傳播有限公司) from February 2017 to October 2019. From June 2011 to June 2015, Ms. Yao worked as an audit manager at Evergreen Group Co., Ltd. (春和集團有限公司). She worked as an auditor at Shanghai branch of Ernst & Young from August 2006 to May 2011.

Ms. Yao obtained her bachelor's degree in international auditing from Nanjing Audit University (南京審計大學) in the PRC in June 2006. She further obtained her master's degree in business administration from the China Europe International Business School (中歐國際工商學院) in the PRC in April 2017. She has been admitted as a member of the Association of Chartered Certified Accountants since October 2009 and is certified as a Certified Internal Auditor by the Institute of Internal Auditors since November 2011.

JOINT COMPANY SECRETARIES

Ms. Guo Ting (郭婷) is the secretary of the Board and our joint company secretary of the Company. For the biographical details of Ms. Guo, please refer to the above "Senior Management" of this section.

Ms. Au Wing Sze (區詠詩) was appointed as our joint company secretary of the Company in January 2025. Ms. Au is a manager of the listing services department of TMF Hong Kong Limited and has been providing corporate secretarial and compliance services to Hong Kong listed companies. She has over 10 years of working experience in company secretarial profession. Ms. Au is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Au holds a master degree in corporate governance from Hong Kong Metropolitan University.

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

PRINCIPAL ACTIVITIES

The Company is an innovation-driven biopharmaceutical company committed to improving patients' health and quality of life and dedicated to discover and development of novel drugs in the fields of neuropsychiatry, reproductive health and viral infection. During the Reporting Period and up to the date of the annual report, there has been no material change in the nature of the principal activities of the Group.

Particulars of the principal subsidiaries of the Company, including their names, businesses and details, are set out in Note 39 to the consolidated financial statements in this annual report.

BUSINESS REVIEW

A fair review of the business of the Group, as required under Schedule 5 to the Companies Ordinance, comprising a discussion and analysis of the Group's performance during the year, an analysis of the Group's performance using financial and operational key performance indicators, a description of the key risks and uncertainties facing the Group, particulars of significant events affecting the Group that have occurred since the end of the financial year, and an indication of likely future development in the business of the Group, which are provided in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Report of the Directors" of this annual report. All such discussions form part of this report.

DIRECTORS

The Directors and Supervisors holding office from the Listing Date and up to the date of this report are:

Executive Directors

Dr. Tian Guanghui *(Chairman of the Board, executive Director, chief executive officer and general manager)*
Dr. Hu Tianwen

Non-executive Director

Mr. Liu Haoxuan

Independent Non-executive Directors

Dr. Ju Dianwen
Ms. Cao Xinwen
Dr. Xu Hongxi

SUPERVISORS

Dr. Yang Rulei *(Chairman of the Supervisory Committee)*
Mr. Zhou Hongju
Mr. Li Jian

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of the Directors, Supervisors and senior management are set out in the section headed "Directors, Supervisors and Senior Management" on pages 24 to 28 of the annual report.

SERVICE CONTRACTS AND LETTERS OF APPOINTMENT FOR DIRECTORS AND SUPERVISORS

Each of the Directors and Supervisors has entered into a service contract or letter of appointment with the Company. Accordingly, the initial term of the service contract or letter of appointment shall be three years, commencing from the date of such appointment and continuing until terminated in accordance with the termination provisions set out in the respective service contracts or letters of appointment.

The appointment of Directors and Supervisors is subject to re-election upon expiry of their respective terms of office with the approval of Shareholders in accordance with the Articles of Association.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Directors, Supervisors and senior management receive remuneration in the form of salaries and other benefits, retirement benefits scheme contribution, discretionary bonus and share-based payments. Such remuneration is determined by the Board with reference to the recommendations from the Remuneration and Appraisal Committee, having regard to the experience and qualifications of the relevant Directors, Supervisors and senior management, level of responsibility, performance and time commitment to the business, and the prevailing market conditions.

Details of the remuneration of the Directors, Supervisors and the five highest paid individuals of the Group are set out in Note 12 to the consolidated financial statements in the annual report.

For the year ended December 31, 2025, (i) the Group did not pay any remuneration to the Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining the Company; (ii) no compensation was paid to, or receivable by the Directors, former Directors, Supervisors, former Supervisors, or the five highest paid individuals for the loss of office as a director of any member of the Group or any other office in connection with management of the affairs of any member of the Group; and (iii) there was no arrangement under which any Director or Supervisor has waived or agreed to waive any remuneration.

Save as disclosed above, for the year ended December 31, 2025, there were no other payments made or due to the Directors, Supervisors or the five highest paid individuals of the Group.

REMUNERATION POLICY

The Company follows the fundamental principle of aligning position value with pay levels, maintaining a remuneration system that balances internal equity and external competitiveness. For internal equity, we differentiate remuneration based on role responsibilities, professional competency requirements and contribution to the Company's development. For external competitiveness, we benchmark against industry development stages, regional market levels and peer remuneration data to ensure the remuneration structure aligns with the Company's actual operating conditions, effectively attracting and retaining core talent. The Company strictly complies with national laws and regulations, and contributes to social insurance and housing provident funds for all employees in accordance with the law, effectively safeguarding employees' legitimate rights and interests and demonstrating standardized human resources management practices.

RETIREMENT AND EMPLOYEE BENEFIT SCHEMES

Employees of the Group in the PRC are members of the state-managed retirement benefit scheme organized by relevant local government authorities in the PRC. The PRC entities are required to contribute a specified percentage of the employees' remuneration costs to the retirement benefit schemes but have no further payment obligations for actual pensions or post-retirement benefits beyond the annual contributions. There are no provisions under the scheme whereby forfeited contributions may be used to reduce future contributions. The employees are required to contribute a certain percentage of their payroll to the retirement benefits scheme to fund the benefits.

Details of the retirement and employee benefit schemes of the Group are set out in Note 38 to the consolidated financial statements.

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

Since the publication of the Prospectus, the Directors and Supervisors confirm that there is no information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each independent non-executive Director a confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules for the period from the Listing Date to December 31, 2025. The Company considers that, based on the guidelines set out in the Listing Rules, all independent non-executive Directors were independent during the period from the Listing Date to December 31, 2025, and remain so as at the date of this report.

CONTINUOUS DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES

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

DIRECTORS' AND SUPERVISORS' INTERESTS IN COMPETING BUSINESSES

Each Director and Supervisor confirms that, as of December 31, 2025, neither he/she nor any of his/her close associates has any interest in any business competing or possibly competing, either directly or indirectly, with the business of the Group that is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

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

No Director and Supervisor had, directly or indirectly, a material interest 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 or at the end of the Reporting Period.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the annual report, none of the Controlling Shareholders nor any of their subsidiaries had, directly or indirectly, a material interest in any contract of significance (whether for the provision of services or otherwise) to which the Company or any of its subsidiaries was a party during the Reporting Period or at the end of the Reporting Period.

CONTINUING CONNECTED TRANSACTIONS

As disclosed in the Prospectus, the following transactions of the Group constituted continuing connected transactions of the Company for the year ended December 31, 2025, which are required to be disclosed in the annual report pursuant to Chapter 14A of the Listing Rules.

CONNECTED PERSONS

The following entities with whom we have entered into transactions will be regarded as our connected persons under the Listing Rules:

Connected Person	Connected Relationship
Shandong Topharman	An associate of Dr. Shen, one of the Controlling Shareholders of the Company (Shandong Topharman is controlled by Dr. Shen)
Topharman Shanghai	An associate of Dr. Shen, one of the Controlling Shareholders of the Company (Topharman Shanghai is controlled by Dr. Shen)

CONTINUING CONNECTED TRANSACTIONS

Revenue Sharing under the LV232 Agreements

In April 2021 and October 2023, Nantong Hefeng, a subsidiary of the Company, entered into a transfer agreement and a supplemental agreement (the "**LV232 Agreements**") with Shanghai Institute of Materia Medica, CAS, and Topharman Shanghai (the "**LV232 Assignors**"), acquiring exclusive intellectual property rights related to LV232 controlled by the LV232 Assignors on a global scale. The Group entered into the LV232 Agreements with the LV232 Assignors based on our shared goal of researching and developing LV232 to address significant medical needs in the treatment of depression.

As part of the arrangements under the LV232 Agreements, the Group agreed to pay the LV232 Assignors with a low single-digit royalty based on the annual sales revenue of LV232 (the "**Revenue Sharing**").

Under Rule 14A.52 of the Listing Rules, the period of an agreement for a continuing connected transaction must be fixed and must not exceed three years, except in cases where the nature of the transaction requires the agreement to be a duration longer than three years. The Revenue Sharing arrangement under the LV232 Agreements has a term commencing from the date of the agreement and continue to be in force until the later of (1) 10 years since product launch in a particular country or region, and (2) when the patent term expires in that country or region. For details, please refer to the Prospectus.

Annual caps

Immediately before the commercialization of LV232, our Company will, based on specific circumstances at that time, set monetary annual caps for the purpose of Rule 14A.53 of the Listing Rules and will comply with the provisions of Chapter 14A of the Listing Rules applicable to such transactions, including seeking independent Shareholders' approval where the case may so require.

Actual transaction amounts

As LV232 has not yet been approved for commercialization by the relevant authorities in the PRC, there was no amount received by LV232 Assignors in relation to the Revenue Sharing during the Reporting Period.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

API Purchase Framework Agreement

The Group purchased API with ancillary services for the products including, VV116 and TPN171 from Shandong Topharman. Upon Listing, we expect to continue to purchase API with ancillary services from Shandong Topharman for our products. In such background, on October 24, 2025, our Company entered into a framework agreement with Shandong Topharman relating to the purchase of API with ancillary services (the "**API Purchase Framework Agreement**") for a term commencing from the date of Listing and continue until December 31, 2027 (both days inclusive), renewable by mutual agreement of the parties, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations. Pursuant to the API Purchase Framework Agreement, Shandong Topharman agreed to supply API with ancillary services to the Group. For details, please refer to the Prospectus.

Shandong Topharman is principally engaged in the research and development, production and sales of API for domestic and overseas demands, with professional teams of research and development, production and management teams, and equipped with advanced and specialized research and development, production and quality control equipment and functions.

Taking into account (i) Shandong Topharman has completed required registration for providing APIs associated with VV116 and TPN171 along with the NDA approvals for VV116 and TPN171, upon which any changes in the manufacturer of such APIs shall be reviewed and approved by NMPA through lengthy process; (ii) Shandong Topharman's experience and reputation in the industry; (iii) Shandong Topharman's track record in supplying the products to us, particularly their reliability in delivery of our orders in a timely manner and stability of their product quality; (iv) their adequacy in production capacity for meeting our potential demand for API upon commercialization of our products, and (v) Shandong Topharman's in depth understanding of our product requirements, Directors believe that they can provide the required products that suit our needs most appropriately and that it will be in the best interests of our Company and our Shareholders to enter into the API Purchase Framework Agreement.

ANNUAL CAPS AND PRICING POLICY

The estimated maximum amount payable by us to Shandong Topharman for each of the three years ending December 31, 2025, 2026 and 2027 in relation to their supply of API and ancillary services will be RMB3.5 million, RMB4.0 million and RMB6.0 million, respectively.

	2025	2026	2027
		(RMB: thousand)	
Total	3,500.00	4,000.00	6,000.00

The proposed annual caps for the three years ending December 31, 2027, being the estimated total amounts payable by our Group as set out above, are determined with reference to:

(a) the historical prices of API with ancillary services purchased from Shandong Topharman with reasonable discounts to the prices payable to Shandong Topharman based on purchase amount;

(b) our estimation on the demand for API for the research and development of our products, including TPN171 and VV116 before commercialization;

(c) our estimation on the market demand for TPN171 and VV116 with reference to our estimated commercialization progress and sales volume.

The fees payable to Shandong Topharman under the API Purchase Framework Agreement is charged at rates no more favorable than rates at which our Company pays Independent Third Parties for comparable transactions and were determined by our Company and Shandong Topharman through arm's length negotiation based on a number of factors, including (i) the rates charged by Shandong Topharman to Independent Third Parties, (ii) the nature, complexity and volume of products we expect to procure from Shandong Topharman, (iii) the market rates by obtaining and comparing against fee quotes provided by other comparable service providers; and (iv) the estimated cost for the manufacturing of API.

ACTUAL TRANSACTION AMOUNTS

During the Reporting Period, the actual amounts for procurement of API by us from Shandong Topharman was RMB3,288 thousand.

WAIVER GRANTED BY THE STOCK EXCHANGE

The Stock Exchange has granted the Company a waiver from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules in respect of the API Purchase Framework Agreement, subject to the condition that the amount of the API Purchase Framework Agreement for each financial year shall not exceed the relevant amount set out in the respective annual caps (as detailed above). For details, please refer to the section headed "Connected Transactions" in the Prospectus.

CONFIRMATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

During the Reporting Period, pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that such transactions were:

(i) entered into in the ordinary and usual course of business of the Group;

(ii) conducted on normal commercial terms or better; and

(iii) carried out in accordance with the terms of the relevant agreements governing the continuing connected transactions, which are fair and reasonable and in the interests of the Shareholders as a whole.

The Company has confirmed that the execution and enforcement of the implementation agreements under the continuing connected transactions set above for the year ended December 31, 2025 has followed the pricing principles of such continuing connected transactions.

CONFIRMATION OF THE COMPANY'S INDEPENDENT AUDITOR

Pursuant to Rule 14A.56 of the Listing Rules, a letter from the independent auditor is required which shall confirm with the Board that nothing has come to their attention that causes them to believe that the above continuing connected transactions:

(i) were not approved by the Board;

(ii) were not, in all material respects, conducted in accordance with the Group's pricing policy, if applicable to the Group's provision of goods or services;

(iii) were not, in all material respects, conducted in accordance with the terms of the relevant agreements governing such transactions; and

(iv) exceeded the relevant annual caps disclosed in the Prospectus of the Company in respect of the aggregate value of each transaction.

We are engaging the independent auditor, Deloitte Touche Tohmatsu, to perform certain agreed-upon audit procedures in respect of the above continuing connected transactions entered into by the Group for the year ended December 31, 2025, which is expected to be completed in May 2026. We will publish a separate announcement once the Board received the letter from the independent auditor.

Save as disclosed in the annual report, during the Reporting Period, the Company did not have any connected transactions or continuing connected transactions which were required to be disclosed pursuant to the provisions of Chapter 14A of the Listing Rules relating to connected transaction disclosures.

MATERIAL RELATED-PARTY TRANSACTIONS

Save as disclosed in the section headed "Report of the Directors – Continuing Connected Transactions" in the annual report, none of the related-party transactions entered into by the Group are set out in Note 34 to the consolidated financial statements constitutes non-exempt connected transaction or continuing connected transactions of the Company as defined under the Listing Rules and the Company confirms that it has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of all its connected transactions or continuing connected transactions.

KEY RISKS AND UNCERTAINTIES

Set out below are certain key risks and uncertainties facing the Group, some of which are beyond the Group's control:

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT OF OUR DRUGS AND DRUG CANDIDATES

- We face intense competition and our competitors may discover, develop or commercialize competing drugs faster or more successfully than we do, which may adversely affect our revenue and profitability and our ability to successfully commercialize our drug candidates.

- Our business and financial prospects depend substantially on the success of our clinical stage and pre-clinical stage drug candidates. If we are unable to successfully complete their clinical development, obtain their regulatory approvals and achieve their commercialization, or if we experience significant delays in doing any of the foregoing, our business will be materially harmed.

- We invest substantial resources in research and development in order to develop, enhance or adapt to new technologies and methodologies, which may not be successful attempts.

- Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may encounter unexpected difficulties executing our clinical trials and commercializing our drug candidates on a timely basis.

- If we encounter difficulties in enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

- Findings and results of pre-clinical studies or early clinical trials may not be predictive of future trial results.

- We may not be able to identify, discover or develop new drug candidates, or to identify or develop new indications for our drug candidates, or to expand or maintain our product pipeline.

Risks relating to sales and distribution and commercialization of our drugs and drug candidates

- We have limited experience in the commercialization of drugs. If we are unable to maintain and expand an effective sales and distribution network for our drugs and future approved drug candidates, either by ourselves or through third parties, we may not be able to successfully create or increase market awareness of our drugs and future approved drug candidates, which could negatively affect our ability to effectively sell them and would materially and adversely affect our business, results of operations, financial condition and prospects.

- Our drugs and future approved drug candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payers and others in the medical community that would be necessary for our drug candidates' commercial success.

- Our commercialization efforts to date have focused primarily on China. Our ability to enter overseas markets will depend, among other things, on our ability to navigate various regulatory regimes with which we do not have experience, which could delay or prevent the growth of our operations outside of China.

- Real or perceived incidents of severe side effects caused by our drugs or future drug products could materially and adversely affect our reputation and results of operations.

- Guidelines, recommendations and studies published by various organizations could disfavor our drug candidates.

Risks relating to our reliance on third parties

- We may not realize any or all benefits of collaboration, alliances or licensing arrangements, and disputes may arise between us and our current or future collaboration partners.

- We work with various third parties to develop our drug candidates, such as those who help us conduct our pre-clinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially harmed.

- We rely on third parties to satisfy a portion of our manufacturing needs and our business could be harmed if those third parties fail to provide us with sufficient quantities of the drug products or fail to do so at acceptable quality levels or prices.

- Actions taken by our distributors could materially and adversely affect our business, prospects and reputation.

Risks relating to manufacturing of our drug candidates

- We have limited experience in manufacturing pharmaceutical products on a large commercial scale, and our business could be materially and adversely affected if we encounter problems in manufacturing our future drug products.

- Failure to obtain and maintain regulatory approvals for our planned manufacturing facility and damage to, destruction of or interruption of production at our existing and planned manufacturing facilities, could affect our development plans for our drug candidates or commercialization plans for our drugs or future approved drug candidates.

- We may not be able to meet the increasing demand for our drugs or future approved drug candidates by ensuring that we have adequate manufacturing capacity, to increase our production capacity as planned, to successfully manage our anticipated growth, or to precisely anticipate market demand.

- We procure certain raw materials from third-party suppliers for our manufacturing needs. Such supplies may not be available to us on acceptable terms or at all, and an increase in the market prices of such supplies may adversely affect our results of operations.

Risks relating to our intellectual property rights

- If we and our current or future collaborating partners are unable to protect our intellectual property rights worldwide, or if the scope of such intellectual property rights obtained is not sufficiently broad or a compulsory license is issued, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially and adversely affected.

- Even if we obtain patent protection for our drugs and drug candidates, the term of such protection, if any, is limited. If we fail to obtain the patent term adjustment or extension for NMPA-approved pharmaceutical products, third parties could develop and commercialize drugs and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially and adversely affected.

- We may become involved in lawsuits to protect or enforce our intellectual property or being sued for infringing, misappropriating or other violating the intellectual property rights of third parties, which could be expensive, time-consuming and unsuccessful.

- We may not be able to adequately enforce our intellectual property rights in foreign jurisdictions.

- Intellectual property and other laws and regulations are subject to development, which could diminish the value of our intellectual property and impair the intellectual property protection of our drug candidates.

- Patent protection depends on compliance with various procedural, regulatory and other requirements, and our patent protection could be reduced or eliminated due to non-compliance with those requirements.

- Intellectual property rights do not necessarily protect us from all potential threats.

Risks relating to government regulations

- All material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated.

- The regulatory approval processes of the NMPA, the Center for Pharmaceutical Products Safety and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be substantially harmed.

- We or the parties on whom we rely may fail to maintain or renew necessary licenses, permits, certificates or regulatory approvals for the development, manufacture and sales and distribution of our drugs and future approved drug candidates.

- Developments in laws and regulations relating to the pharmaceutical industry may result in additional compliance risks and costs.

- We are subject to stringent privacy laws, information security policies and contractual obligations related to data privacy and security, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

- Even if we receive regulatory approval for our drug candidates, we will be subject to ongoing or additional regulatory obligations and continued regulatory review, which may result in significant additional expenses and we may be subject to penalties and other negative consequences if we fail to comply with these regulatory requirements or experience unanticipated problems with our drug candidates.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

- We incurred net loss in 2024 and 2025, and may continue to incur significant research and development expenses and other expenses related to our ongoing operations and not be able to generate sufficient revenue to achieve and maintain profitability in the future.
- We had net current liabilities and net cash outflow during the track record period, which may continue in the foreseeable future and expose us to liquidity risk.
- We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.
- We may be subject to credit risk in collecting trade receivables due from our customers.
- We have granted, and may continue to grant, share incentives, which may result in increased share-based payments, and negatively impact the results of our operations.

RISKS RELATING TO OUR OPERATIONS

- We have a limited operating history, which makes it difficult to evaluate our business and prospects, and our historical growth may not be indicative of our future performance.
- The loss of any key members of our senior management team or our inability to attract and retain highly skilled and qualified employees could adversely affect our business.
- Developments in the economic, political or social conditions in our major operation location may materially and adversely affect our business, financial condition, results of operations and prospects.
- We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.
- We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control.
- Changes in and international trade policies may affect our business operations.

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.

For details of other risks and uncertainties faced by the Group, please refer to the section headed “Risk Factors” in the Prospectus.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group acknowledges our environmental protection and social responsibilities and is aware of the environmental, energy, climate-related and workplace safety issues that may have impact on our Group’s business operation. We are committed to complying with ESG reporting requirements. We have developed the “Environmental, Social and Governance Policy and Procedures Manual” to regulate the ESG compliance of all departments within our Group.

We are subject to various environment, health and safety (“**EHS**”) related laws and regulations in China. To ensure our compliance with applicable environmental protection, health and safety laws and regulations, we (i) have established various guidelines governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials wastes, and taken measures to ensure such guidelines are strictly enforced; (ii) inspect our equipment and workplaces regularly to identify and eliminate safety hazards; and (iii) keep health records for all employees and conduct health examinations during their time at the Company, especially for employees engaged in work involving occupational hazards.

During the Reporting Period, we complied with the relevant PRC environmental and occupational health and safety laws and regulations in all material aspects, and we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or impact on the operations of our business during the period.

Our Board has overall responsibility for (i) overseeing and determining our Group's environmental, social, and climate-related risks and opportunities that impact our Group, (ii) establishing ESG related targets of our Group, (iii) adopting the ESG related policies, and (iv) reviewing our Group's performance in ESG matters.

For details of the environmental policies and performance of the Group, please refer to the "Environmental, Social and Governance Report" set out on pages 71 to 102 of this annual report, which has been prepared in accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Code contained in Appendix C2 to the Listing Rules.

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at December 31, 2025, the interests or short positions of the Directors, Supervisors and chief executives in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) 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 are taken or deemed to have under the such provisions of the SFO); or (b) to be entered in the register required to be kept pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Director, Supervisor or Chief Executive	Position	Nature of Interest	Class of Shares	Number of Shares or Underlying Shares	Approximate Percentage of Issued Shares of the Relevant Class[2]	Approximate Percentage of Equity Interest in the Total Issued Share Capital [2]
Dr. Tian Guanghui	Chairman of the Board, executive Director, chief executive officer and general manager	Beneficial owner	Unlisted Shares	5,726,644 (L)	5.67%	3.42%
			H Shares	8,589,967 (L)	12.88%	5.13%
Dr. Hu Tianwen	Executive Director and deputy general manager	Beneficial owner	H Shares	681,743 (L)	1.02%	0.41%
Dr. Yang Rulei	Chairman of the Supervisory Committee	Beneficial owner	H Shares	227,248 (L)	0.34%	0.14%
Mr. Li Jian	Supervisor (employee's representative)	Beneficial owner	H Shares	170,436 (L)	0.26%	0.10%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) As at December 31, 2025, the total number of issued Shares of the Company was 167,597,800 Shares, comprising 100,920,667 Unlisted Shares and 66,677,133 H Shares.

Save as disclosed above, as at December 31, 2025, to the best knowledge of the Directors, none of the Directors, Supervisors or chief executives had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) 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 are taken or deemed to have under the such provisions of the SFO); or (b) to be entered in the register required to be kept pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at December 31, 2025, to the Directors' knowledge, the following persons (other than the Directors, Supervisors or chief executives) or corporations had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares or Underlying Shares	Approximate Percentage of Issued Shares of the Relevant Class[2]	Approximate Percentage of Equity Interest in the Total Issued Share Capital[2]
Dr. Shen [3]	Beneficial owner	Unlisted Shares	82,461,110 (L)	81.71%	49.20%
	Interest of spouse	Unlisted Shares	2,272,478 (L)	2.25%	1.36%
Ms. Jin Jie [3]	Beneficial owner	Unlisted Shares	2,272,478 (L)	2.25%	1.36%
	Interest of spouse	Unlisted Shares	82,461,110 (L)	81.71%	49.20%
Suzhou Hesheng Enterprise Management Consulting Partnership Enterprise (Limited Partnership) ("**Suzhou Hesheng**")	Beneficial owner	H Shares	6,783,346 (L)	10.17%	4.05%
Mr. Qiao Gang[4]	Interest in controlled corporations	H Shares	5,402,703 (L)	8.10%	3.22%
	Interest held jointly with other persons	H Shares	1,092,539 (L)	1.64%	0.65%
Suzhou Xieyao Private Fund Management Co., Ltd. ("**Xieyao PE**")[4]	Interest in controlled corporations	H Shares	5,402,703 (L)	8.10%	3.22%
	Interest held jointly with other persons	H Shares	1,092,539 (L)	1.64%	0.65%
Suzhou Xieyao Kexin Venture Capital Partnership Enterprise (Limited Partnership) ("**Xieyao Kexin**")[4]	Beneficial owner	H Shares	4,370,157 (L)	6.55%	2.61%
	Interest held jointly with other persons	H Shares	2,125,085 (L)	3.19%	1.27%
Suzhou Xieyao Kesheng Entrepreneurship Investment Partnership Enterprise (Limited Partnership) ("**Xieyao Kesheng**")[4]	Beneficial owner	H Shares	1,032,546 (L)	1.55%	0.62%
	Interest held jointly with other persons	H Shares	5,462,696 (L)	8.19%	3.26%

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares or Underlying Shares	Approximate Percentage of Issued Shares of the Relevant Class[2]	Approximate Percentage of Equity Interest in the Total Issued Share Capital[2]
Ms. Shen Juan[4]	Interest in controlled corporations	H Shares	1,092,539 (L)	1.64%	0.65%
	Interest held jointly with other persons	H Shares	5,402,703 (L)	8.10%	3.22%
Mr. Zhao Hao[4]	Interest in controlled corporations	H Shares	1,092,539 (L)	1.64%	0.65%
	Interest held jointly with other persons	H Shares	5,402,703 (L)	8.10%	3.22%
Suzhou Meilingge Business Consulting Partnership Enterprise (Limited Partnership) ("**Suzhou Meilingge**")[4]	Beneficial owner	H Shares	1,092,539 (L)	1.64%	0.65%
	Interest held jointly with other persons	H Shares	5,402,703 (L)	8.10%	3.22%
Ms. Jin Qing	Beneficial owner	H Shares	5,517,145 (L)	8.27%	3.29%
Gongqingcheng Zhongcai Qihu Financial Control Phase II Internet Industry Investment Center (Limited Partnership)	Beneficial owner	H Shares	4,370,157 (L)	6.55%	2.61%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) As at December 31, 2025, the total number of issued Shares of the Company was 167,597,800 Shares, comprising 100,920,667 Unlisted Shares and 66,677,133 H Shares.

(3) Ms. Jin Jie is the spouse of Dr. Shen. As such, Dr. Shen and Ms. Jin Jie are deemed to be interested in Shares held by each other under the SFO.

(4) Xieyao Kexin, Xieyao Kesheng and Suzhou Meilingge are Pre-IPO Investors of the Company through directly holding 4,370,157 H Shares, 1,032,546 H Shares and 1,092,539 H Shares, respectively. Xieyao Kexin, Xieyao Kesheng and Suzhou Meilingge are parties acting-in-concert in respect of the voting rights held in the Company. Therefore, Xieyao Kexin, Xieyao Kesheng and Suzhou Meilingge are deemed to be interested in the Shares held by each and every of them.

Xieyao PE was the executive partner of each of Xieyao Kexin and Xieyao Kesheng, and Xieyao PE was ultimately controlled by Mr. Qiao Gang. Therefore, Mr. Qiao Gang and Xieyao PE are deemed to be interested in the Shares held or controlled by Xieyao Kexin and Xieyao Kesheng.

The executive partner of Suzhou Meilingge was Shen Juan and the largest limited partner of Suzhou Meilingge was Zhao Hao, with the partnership interest as to 40%. Therefore, Shen Juan and Zhao Hao are deemed to be interested in the Shares held or controlled by Suzhou Meilingge.

Save as disclosed above, to the Directors' knowledge, as at December 31, 2025, the Directors are not aware of any other person (other than Directors, Supervisors or chief executives) or corporation who had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in the annual report, during the period from the Listing Date to December 31, 2025, neither the Company nor any of its subsidiaries had entered into any arrangement to enable the Directors or Supervisors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate, and no rights to subscribe for Shares in, or equity or debt securities of, the Company or any other body corporate had been granted to any Director, Supervisors or to their respective spouses or children under the age of 18, nor had any such rights been exercised.

SHARE SCHEMES

As at the end of the Reporting Period, the Company has not adopted any share scheme under Chapter 17 of the Listing Rules.

THE H SHARE AWARD SCHEME

The Company adopted the H Share Award Scheme at the extraordinary general meeting of the Company held on March 19, 2026. Unless otherwise defined, terms used in this section shall have the same meanings as those defined in the Company's circular dated March 2, 2026. For details of the H Share Award Scheme, please refer to the announcements of the Company dated February 9, 2026, March 2, 2026 and March 19, 2026 and the circular dated March 2, 2026. Set out below is a summary of the principal terms of the H Share Award Scheme.

(a) Purposes and Objectives

The purposes and objectives of the H Share Award Scheme are to recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group.

(b) Eligible Participants

The Board may from time to time at its sole and absolute discretion, select any individual being an employee participant, related entity participant or service provider at any time during the scheme period as a selected participant to participate in the H Share Award Scheme, and grant an Award to any Selected Participants at such consideration subject to such terms and conditions and Purchase Price (if any) as the Board may in its sole and absolute discretion determine.

(c) Duration

Unless any early termination as may be determined by the Board, the H Share Award Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date. As at the date of this report, the remaining life of the H Share Award Scheme was approximately 9 years and 10 months.

(d) Grant of Awarded Shares

The Board may from time to time at its sole and absolute discretion select any Eligible Participants (other than any Excluded Participants) for participation in the H Share Award Scheme as a Selected Participant, and grant an Award to any Selected Participants at such consideration subject to such terms and conditions and Purchase Price (if any) as the Board may in its sole and absolute discretion determine.

(e) Vesting of Awarded Shares

Subject to the terms and conditions of the H Share Award Scheme and the fulfilment of all vesting conditions applicable to the vesting of the Awarded Shares on such Selected Participants, the respective awarded interests held by the Trustee on behalf of the Selected Participants shall vest in such Selected Participants in accordance with the applicable vesting schedule, and the Trustee shall cause the awarded interests to be transferred to such Selected Participants and/or a vehicle controlled by him/her (such as a trust or a private company).

Prior to the Vesting Date, any Award made shall not be assignable nor transferrable and no Selected Participants shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any unvested awarded interests referable to him/her.

(f) Scheme Limit

The maximum number of Awarded Shares (excluding the Awarded Shares lapsed in accordance with the terms of the H Share Award Scheme) which may be awarded under the H Share Award Scheme shall not exceed 8,379,890 H Shares, representing approximately 5.0% of the total issued Shares (excluding Treasury Shares) of the Company as at the Adoption Date and representing approximately 5.0% of the total issued Shares (excluding Treasury Shares) of the Company as of the date of this report. The maximum number of Award Share(s) to be obtained by any Selected Participants under the Scheme shall not exceed 1.0% of the total issued Shares (excluding Treasury Shares) of the Company in any twelve(12)-month period unless approved at the Shareholder's general meeting.

As the H Share Award Scheme was adopted on March 19, 2026, no awarded shares have been granted, exercised, cancelled or lapsed since the effective date of the H Share Award Scheme and up to the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

Our customers primarily consist of our out-licensing customers, our direct sales customers and distributors which directly purchase pharmaceutical products from us, as well as pharmaceutical companies to which we provide CRO services.

For the year ended December 31, 2025, revenue generated from the five largest customers of the Group accounted for 96.2% (2024: 86.6%) of the Group's total revenue, while revenue generated from the single largest customer of the Group accounted for 49.1% (2024: 65.1%) of the Group's total revenue.

Major Suppliers

Our major suppliers primarily consisted of (i) IP assignors; (ii) suppliers of raw materials and consumables for the R&D of our drug candidates; (iii) suppliers of APIs, excipients and packaging materials for the manufacturing of our drugs; and (iv) third party contractors including CROs and CMOs.

For the year ended December 31, 2025, purchases from the five largest suppliers of the Group accounted for 52.8% (2024: 15.3%) of the Group's total purchases, while purchases from the single largest supplier of the Group accounted for 33.6% (2024: 7.8%) of the Group's total purchases. During the Reporting Period, to the best knowledge of the Directors, all of the five largest suppliers of the Group were independent third parties.

During the Reporting Period, to the best knowledge of the Directors, none of the Directors, their respective associates or any Shareholder holding more than 5% of the number of issued Shares (excluding Treasury Shares) of the Company had any interest in the five largest customers and the five largest suppliers of the Group.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognizes the importance of maintaining good relationships with employees, customers and suppliers. During the Reporting Period, the Group did not have any material disputes with employees, customers or suppliers.

MANAGEMENT CONTRACTS

From the Listing Date up to the date of the annual report, the Company has not entered into any contract for the management and administration of the whole or any substantial part of the business of the Company, and no such contract exists.

PERMITTED INDEMNITY PROVISION

For the year ended December 31, 2025, the Company had purchased liability insurance for the Directors, Supervisors and senior management to provide appropriate protection for certain legal liabilities which may arise in the course of performing their duties. Except for such insurances, at no time during the year and up to the date of this annual report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company or associated companies.

RESULTS

The consolidated results of the Group for the year ended December 31, 2025 are set out on pages 107 to 177 of the annual report.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past three financial years is set out on page 178 of the annual report. The summary does not form part of the audited consolidated financial statements.

SHARE CAPITAL

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

RESERVES

Details of the movements in the reserves of the Group and the Company during the year ended December 31, 2025 are set out in the consolidated statement of changes in equity on page 110 of the annual report and in Note 42 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at December 31, 2025, the Company had no distributable reserves (2024: nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended December 31, 2025 are set out in Note 15 to the consolidated financial statements.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company issued 17,597,800 Shares in its Global Offering at HK$33.37 per Share, which were listed on the Main Board of the Stock Exchange on November 6, 2025. The net proceeds from the Global Offering received by the Company, after deduction of the underwriting fees and commissions and other listing related expenses payable by the Company in connection with the Global Offering, amounted to approximately HK$527.4 million and the unutilized net proceeds had been deposited into short-term interest-bearing accounts held by the Company with licensed commercial banks and/or other authorized financial institutions as at December 31, 2025. The net price per Share offered under the Global Offering was approximately HK$29.97.

The net proceeds from the Company's Global Offering have been and will continue to be allocated and utilized in accordance with the intended uses set out in the Prospectus (as adjusted pro rata based on the actual net proceeds received). For further details, please refer to the section headed "Future Plans and Use of Proceeds" in the Prospectus. As at December 31, 2025, there were no changes to the intended uses of the net proceeds as disclosed in the Prospectus.

The following table sets out the intended use of the net proceeds, a summary of utilization status as at December 31, 2025 and the expected timeline for utilization:

Intended use of net proceeds as stated in the Prospectus	Allocation of net proceeds (HK$ million)	Approximate percentage of total net proceeds	Amount utilized up to December 31, 2025 (HK$ million)	Remaining amount as at December 31, 2025 (HK$ million)	Expected timeline for utilization[Note 2]
1. The research and development of our Core Products					
(a) Fund the clinical trials of LV232 for the treatment of major depressive disorder					
(i) Fund the Phase II clinical trial which was initiated in April 2025	52.7	10%	4.6	48.1	On or before December 31, 2026
(ii) Fund a planned Phase III clinical trial	105.6	20%	–	105.6	On or before December 31, 2028
(b) Fund the development of sublingual tablet and orally disintegrating tablet dosage forms for TPN171, and the pre-clinical studies to explore indication expansion opportunities for TPN171	42.2	8%	–	42.2	On or before December 31, 2028
2. The research and development of our other product candidates					
(a) Fund the ongoing and planned Phase I clinical trials and a planned Phase II clinical trial of VV261 for the treatment of SFTSV	31.6	6%	1.1	30.5	On or before December 31, 2027
(b) Fund the planned Phase I and Phase II clinical trials of TPN102 for the treatment of epilepsy	42.2	8%	–	42.2	On or before December 31, 2027
(c) Fund the ongoing and planned Phase I clinical trials and a planned Phase II clinical trial of VV119 for the treatment of schizophrenia	42.2	8%	3.0	39.2	On or before December 31, 2028
(d) Fund the development of the Group's pre-clinical-stage drug candidates towards IND submission	26.4	5%	10.5	15.9	On or before December 31, 2026
3. Construction of the Group's Qingdao Facility	52.7	10%	0.7	52.0	On or before December 31, 2027
4. Reinforcement of the Group's sales and marketing capabilities					
(a) Be used for recruitment of additional sales and marketing personnel with extensive knowledge and experience in pharmaceutical industry	26.4	5%	2.8	23.6	On or before December 31, 2027
(b) Be used for marketing efforts to enhance the awareness of the Group's brand and healthcare professionals and patients' knowledge about our products	52.7	10%	12.1	40.6	On or before December 31, 2026
5. Working capital and other general corporate purposes	52.7	10%	24.7	28.0	On or before December 31, 2026
Total	527.4	100%	59.5	467.9	

Notes:

1. Certain amounts set out in the table above have been rounded. Accordingly, the total figures shown in the table may not necessarily equal the arithmetic sum of the preceding figures.

2. The expected timeline for utilization of the remaining net proceeds is prepared on the basis of the Company's best estimates of future market conditions, and is subject to change in light of developments in current and future market conditions. In the event of any material change in our use of net proceeds of the Global Offering from the purposes described above or in our allocation of the net proceeds among the purposes described above, the Company will make a formal announcement (if any) in due course in accordance with the provisions of the relevant rules, so as to provide up-to-date information to its shareholders and potential investors.

3. On November 12, 2025, the Group subscribed two unlisted market funds, both are independent third parties, amounted to HK$63,897,000 and HK$63,897,000 (equivalent to RMB58,259,000 and RMB58,259,000) with its own funds. Subsequently, in January 2026, the Group subscribed another two unlisted market funds, both are independent third parties, amounted to HK$35,124,000 and HK$16,000,000, respectively. The subscription of HK$35,124,000 (equivalent to RMB31,549,000) was founded by its own funds. However, the HK$16,000,000 (equivalent to RMB14,423,000) of the subscription was inadvertently funded using the net proceeds from the Global Offering. As of the date of this annual report, the Company has redeemed such subscription of HK$16,000,000 (equivalent to RMB14,423,000) and confirms that all proceeds from the Global Offering will ultimately be used in accordance with the intended purposes as set out in the Prospectus.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including any sale of Treasury Shares) since the Listing Date and up to December 31, 2025. The Company did not have any Treasury Shares as at December 31, 2025.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the annual report, during the Reporting Period, the Company has not entered into or had in existence any equity-linked agreements.

FINAL DIVIDENDS

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

The Board is not aware of any Shareholders who have waived or agreed to waive any dividend.

AGM AND CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Friday, June 26, 2026. The notice convening the AGM is expected to be published and (where applicable) dispatched to Shareholders in due course in accordance with the requirements of the Listing Rules.

To determine the eligibility of the Company's H Share Shareholders to attend and vote at the AGM, the register of members of H Shares will be closed from Tuesday, June 23, 2026 to Friday, June 26, 2026 (both days inclusive), during which period no transfers of H Shares will be made. In order to be eligible to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant Share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, June 22, 2026, for registration.

Shareholders whose names appear on the Company's register of members on Friday, June 26, 2026 shall be entitled to attend and vote at the AGM.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the principal corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 50 to 70 of the annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

To the knowledge of the Board and the management of the Company, for the year ended December 31, 2025, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the Reporting Period, the Group had no material breaches of or non-compliance with applicable laws and regulations.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Board, the Company has maintained the prescribed public float in accordance with the Listing Rules and the requirements of the Stock Exchange at all times from the Listing Date to the date of the annual report.

TAX RELIEF AND EXEMPTION

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

PRE-EMPTIVE RIGHTS

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

DEBENTURES AND CONVERTIBLE BONDS ISSUED

For the year ended December 31, 2025, the Company did not issue any debentures or convertible bonds.

BANK LOANS AND OTHER BORROWINGS

Details of the bank loans and other borrowings of the Group as at December 31, 2025 are set out in the section headed "Management Discussion and Analysis" and in Note 30 to the consolidated financial statements of the annual report. To the best knowledge of the Directors, the Company did not have any loan agreements containing covenants relating to specific performance of the Controlling Shareholder, nor did the Controlling Shareholder pledge any of its Shares in the Company in respect of any loan facilities granted to the Company during the reporting period.

DONATIONS

During the Reporting Period, the Group made no charitable donations and other contributions.

MATERIAL LEGAL PROCEEDINGS

Save as disclosed in the section headed "Legal Proceedings and Regulatory Compliance — Legal Proceedings Related to Intellectual Property Rights" in the Prospectus, during the Reporting Period, the Company was not involved in any material litigation, arbitration or claim. To the best knowledge of the Directors, there was no material litigation, arbitration or claim that are pending or threatened against the Company.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") consists of one non-executive Director and two independent non-executive Directors, namely Ms. Cao Xinwen ("**Ms. Cao**"), Dr. Xu Hongxi and Dr. Ju Dianwen, with Ms. Cao serving as the chairperson.

The Audit Committee has reviewed the accounting standards and policies adopted by the Group, and has discussed the Group's risk management and internal control systems, and financial reporting matters, including the review of the annual results for the year ended December 31, 2025. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended December 31, 2025.

AUDITOR

The Shares were listed on the Main Board of the Stock Exchange on November 6, 2025. The Company has not changed its auditor since the Listing Date.

Deloitte Touche Tohmatsu was appointed as the auditor of the Company for the year ended December 31, 2025. The financial statements in the report prepared in accordance with IFRS Accounting Standards have been audited by Deloitte Touche Tohmatsu, which has issued an unmodified opinion in the audit report.

By order of the Board
Vigonvita Life Sciences Co., Ltd.
Dr. Tian Guanghui
Chairman of the Board, Executive Director, Chief Executive Officer and General Manager

Hong Kong, March 31, 2026

REPORT OF THE SUPERVISORY COMMITTEE

SUPERVISORS

The Supervisors holding office from the Listing Date and up to the date of this report are:

Dr. Yang Rulei (Chairman of the Supervisory Committee)
Mr. Zhou Hongju
Mr. Li Jian

GENERAL DUTIES OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is the Company's supervisory body. It strictly performs its duties in accordance with the Company Law, the Listing Rules and the Articles of Association. The Supervisory Committee is responsible for supervising the performance of duties by directors and senior management and requiring directors or senior management to rectify their conduct when such conduct harms the interests of the Company to safeguard the rights and interests of the Company and its Shareholders.

WORK OF THE SUPERVISORY COMMITTEE IN 2025

In 2025, the Supervisory Committee strictly complied with the relevant provisions of the Company Law and other laws, regulations and the Articles of Association, adhered to the principle of integrity, conscientiously performed its supervisory duties, tracked and monitored the business operation, financial position and business decisions of the Company, supervised the performance of duties by the Directors and senior management of the Company, safeguarding the legitimate rights and interests of the Company and all Shareholders, and exercising rigorous and effective supervision over the standardized operation of the Company.

For the year ended December 31, 2025, the Supervisory Committee of the Company held one meeting. All Supervisors performed their duties and obligations diligently and responsibly in accordance with the requirements of the Rules of Procedure for the Supervisory Committee and other regulatory documents. During the Reporting Period, the Supervisory Committee did not identify any circumstances where Directors or senior management damaged the interests of the Company, or violated laws, regulations or the Articles of Association. The Company operated soundly in compliance with the law with robust financial systems, internal controls and risk management systems.

WORK PLAN OF THE SUPERVISORY COMMITTEE FOR 2026

In 2026, the Supervisory Committee will perform its duties faithfully and diligently in accordance with the relevant provisions of the Company Law, the Articles of Association and other applicable regulations, promptly track and monitor the legality of material decision-making matters and decision-making procedures of the Company, further promote the standardized operation of the Company, and guard against operational and management risks, safeguarding the legitimate rights and interests of the Company and all Shareholders, and together with all Shareholders of the Company, supporting and facilitating the sustainable development of the Company.

By order of the Supervisory Committee
Dr. Yang Rulei
Chairman

Hong Kong, March 31, 2026

CORPORATE GOVERNANCE REPORT

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

CORPORATE CULTURE AND VALUES

The Company is committed to ensuring that the Group's business is conducted in accordance with high standards of business ethics. The Board believes that corporate culture is the foundation of the Group's business continuity, commercial success and sustainable growth. A strong culture enables the Company to achieve long-term sustainable performance. To achieve long-term objectives, it is essential to act with integrity, transparency and accountability. The Company believes that acting in this manner will ultimately maximize returns for Shareholders in the long run, while benefiting the Group's employees, business partners and the communities in which the Group operates.

Corporate governance is the process by which the Board directs and oversees the management of the Group's business operations in order to achieve its objectives. The Group is committed to achieving high standards of corporate governance to ensure:

- satisfactory and sustainable returns for Shareholders;
- protection of the interests of parties with whom the Group conducts business;
- understanding and proper management of overall business risks;
- delivery of quality products and services that satisfy customers; and
- maintenance of high standards of business ethics.

CORPORATE GOVERNANCE PRACTICES

The Company was listed on the Main Board of the Stock Exchange on November 6, 2025. The Corporate Governance Code set out in Appendix C1 to the Listing Rules was not applicable to the Company prior to the Listing Date.

The Company is committed to achieving high standards of corporate governance to safeguard Shareholders' rights and interests.

The Board believes that sound corporate governance standards are essential for establishing a framework to protect the interests of Shareholders, enhancing corporate value, developing business strategies and policies, and improving transparency and accountability.

The Company's corporate governance practices are based on the principles and code provisions set out in the Corporate Governance Code, and the Company has adopted the Corporate Governance Code as the code of corporate governance of its own.

The Board is of the view that, from the Listing Date and up to December 31, 2025, save as disclosed in this annual report, the Company has complied with the principles and all applicable code provisions set out in the Corporate Governance Code. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors and Supervisors. Having made specific enquiries of all Directors and Supervisors, all the Directors and Supervisors have confirmed that they have strictly complied with the required standards set out in the Model Code since the Listing Date and up to December 31, 2025.

At the request of the Company, relevant officers and employees of the Company are also required to comply with the Model Code, which prohibits them from dealing in the relevant securities when in possession of inside information relating to the Company's securities. The Company is not aware of any non-compliance with the Model Code by such employees who may have access to inside information of the Company.

THE BOARD

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance, and supervises the work of the Group's senior management. The Board has delegated the authority and responsibility for the day-to-day management and operation of the Group to the Group's senior management. To oversee specific aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee. These committees operate in accordance with the terms of reference established by the Board.

The Board possesses a balanced mix of skills, experience and diverse perspectives that aligns with the business requirements of the Company, and regularly reviews the contribution required from Directors to discharge their duties to the Company, and whether the Directors devote sufficient time to performing their duties commensurate with their roles and Board responsibilities. The Board achieves a balance composition between executive Directors and non-executive Directors (including independent non-executive Directors), such that the Board has strong independence and is able to make independent judgments effectively.

All Directors have at all times acted in good faith in discharging their duties and have complied with applicable laws and regulations, and have consistently acted in the interests of the Company and its Shareholders.

For the year ended December 31, 2025, the Company was not involved in any material litigation requiring Directors to assume liability. The Company has arranged appropriate liability insurance in respect of legal action against Directors and will review the coverage of such insurance on an annual basis.

Board composition

As of December 31, 2025 and the date of the annual report, the Board comprises two executive Directors, one non-executive Director and three independent non-executive Directors, details of which are as follows:

Executive Directors

Dr. Tian Guanghui *(Chairman of the Board, executive Director, chief executive officer and general manager)*
Dr. Hu Tianwen

Non-executive Director

Mr. Liu Haoxuan

Independent non-executive Directors

Dr. Ju Dianwen
Ms. Cao Xinwen
Dr. Xu Hongxi

During the period from the Listing Date to December 31, 2025, the Board has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of at least three independent non-executive Directors, among whom at least one independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise.

Pursuant to Rule 3.10A of the Listing Rules, independent non-executive Directors must constitute at least one-third of the Board. The Company's current three independent non-executive Directors represent one-half of the Board members, and therefore the Company has complied with the requirements of Rule 3.10A of the Listing Rules.

All Directors (including independent non-executive Directors) provide the Board with a wide spectrum of valuable business experience, knowledge and expertise, enabling the Board to function efficiently and effectively. The independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee.

All Directors obtained the legal advice as referred to in Rule 3.09D of the Listing Rules in January 2025, and acknowledged and understood the provisions applicable to them as directors of a listed issuer under the Listing Rules and their responsibilities as directors of a listed issuer, as well as the possible consequences of making false statements or providing false information to the Stock Exchange.

As for the code provisions of the Corporate Governance Code requiring Directors to disclose to the issuer the number and nature of their offices held in public companies or organizations and other significant commitments, and to disclose the names of such public companies or organizations and the time involved in holding such offices, each Director has agreed to disclose their commitments to the Company in a timely manner.

The biographical details of the Directors are set out in the section headed "Directors, Supervisors and Senior Management" on pages 24 to 28 of the annual report.

None of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Director or chief executive.

Supervisory Committee

The Supervisory Committee is the Company's supervisory body. It strictly performs its duties in accordance with the Company Law, the Articles of Association and the Listing Rules, and is accountable to the general meeting, and supervises the performance of duties by the financial personnel of the Company, the Board and its members and senior management, preventing abuse of power and safeguarding Shareholders' rights and interests.

The term of office of a Supervisor is three years. Upon expiry of the term of office, a Supervisor may be re-elected and serve consecutive terms. Where the term of office of a Supervisor expires and re-election is not conducted in a timely manner, or where a supervisor resigns during his/her term resulting in the number of members of the Supervisory Committee falling below the statutory minimum, the original Supervisor shall, prior to the assumption of office by the newly elected supervisor, continue to perform supervisory duties in accordance with laws, administrative regulations, and the Articles of Association until the duly elected supervisor takes office.

As of December 31, 2025 and the date of the annual report, the Supervisory Committee comprises three Supervisors, details of which are as follows:

Supervisors

Dr. Yang Rulei *(Chairman of the Supervisory Committee)*
Mr. Zhou Hongju
Mr. Li Jian

Board meetings and Directors' attendance records

The Company has adopted the practice of holding Board meetings regularly in accordance with the Corporate Governance Code, convening at least four Board meetings each year, at approximately quarterly intervals. All Directors will be given at least 14 days' notice of a regular Board meeting to enable all of them to attend the regular meeting and discuss matters on the agenda.

For other Board meetings and Board committee meetings, the Company will issue meeting notices within the time limits prescribed in the Articles of Association or the terms of reference of the Board committees. Meeting notices also include the meeting agenda and relevant meeting documents to ensure that Directors have sufficient time to review such documents and adequately prepare for attendance. If a Director or a member of a Board committee is unable to attend a meeting, he/she will be informed of the matters to be discussed and will have the opportunity to convey his/her views to the chairman before the meeting is held. Minutes of meetings are kept by the secretary of the Board, and copies of such minutes are provided to all Directors for their reference and records.

The minutes of Board meetings and Board committee meetings record in detail the matters considered by the Board and the Board committees and the decisions made thereon, including any questions raised by Directors or dissenting views expressed. Draft minutes of each Board meeting and Board committee meeting will be sent to each Director within a reasonable time after the meeting is held for their consideration, and the final version is kept as records. Minutes of Board meetings are open for inspection by all Directors.

In accordance with the requirements of code provision C.2.7 of the Corporate Governance Code, the chairman shall hold at least one meeting with the independent non-executive Directors each year without the presence of other Directors. During the year ending December 31, 2026, the chairman will hold at least one meeting each year with the independent non-executive Directors without the presence of other directors.

In accordance with the requirements of code provision C.5.1 of the Corporate Governance Code, the Board shall hold the meeting regularly, and board meetings shall be held at least four times a year and at approximately quarterly intervals. During the year ending December 31, 2026, the Company will hold at least four regular board meetings.

As the Company was listed on the Listing Date, the requirements of code provision C.2.7 and code provision C.5.1 are not applicable to the Company for the full year. Since the Listing Date and up to December 31, 2025, the Company held two Board meetings, and no meeting between the chairman and the independent non-executive Directors was held nor any general meetings were convened. The attendance of each Director at Board meetings is set out below:

Name of Director	Number of Board Meetings Attended/ Entitled to Attend
Executive Directors:	
Dr. Tian Guanghui	2/2
Dr. Hu Tianwen	2/2
Non-executive Director:	
Mr. Liu Haoxuan	2/2
Independent non-executive Directors:	
Dr. Ju Dianwen	2/2
Ms. Cao Xinwen	2/2
Dr. Xu Hongxi	2/2

Chairman and Chief Executive Officer

The chairman plays a leadership role, ensuring the effective functioning of the Board and leading the Board to provide overall guidance to the Group in business, strategy and corporate development. The chief executive officer focuses on formulating the Group's overall strategic planning, business development and day-to-day operations.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be segregated and should not be performed by the same individual.

Dr. Tian Guanghui ("**Dr. Tian**") currently performs the roles of the chairman of the Board, executive Director, chief executive officer and general manager of our Company. Dr. Tian has assumed the role of chief executive officer of our Company since January 2013. Notwithstanding that this situation constitutes a deviation from the code provision C.2.1 of the Corporate Governance Code, he has extensive experience in the business operations and management of our Group. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Tian is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our general manager. The Board also believes that vesting the roles of both chairman and general manager in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. In addition, the Board currently comprises two executive Directors, one non-executive Director and three independent non-executive Directors, with a fairly strong independence element, and the high proportion of non-executive Directors (including independent non-executive Directors) ensures a balanced distribution of power and authority. The Board will continue to review and consider splitting the roles of chairman of the Board and general manager of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Independent Non-executive Directors

Independent non-executive Directors play an important role in the Board as they provide impartial views on the Group's strategy, performance and controls to ensure that the Board can effectively exercise independent judgment in the decision-making process and provide independent opinions to Shareholders, taking into account the interests of all Shareholders. All independent non-executive Directors possess appropriate academic, professional qualifications or relevant financial management experience. None of the independent non-executive Directors holds any other position in the Company or any of its subsidiaries or has any interest in any shares.

The Company has established a Board Independence Evaluation Mechanism (the "**Board Independence Evaluation Mechanism**"), which aims to ensure that the Board has a strong independent element, enabling the Board to effectively make independent judgments and better safeguard the interests of Shareholders.

To ensure that independent non-executive Directors can provide independent views and opinions to the Board, the Nomination Committee and the Board will assess the independence of independent non-executive Directors annually, taking into account the following relevant factors:

- character, integrity, professional knowledge, experience and stability required for the performance of their duties;
- time and efforts devoted to the affairs of the Company;
- firm commitment to fulfilling their duties as independent non-executive Directors and dedication to the work of the Board or Board committees;
- declaration of conflicts of interest in relation to their role as independent non-executive Directors;
- non-participation in the day-to-day management of the Company and absence of any relationship or circumstances that would affect their independent judgment; and
- regular meetings between the chairman and independent non-executive Directors without the presence of executive Directors.

Under the Board Independence Evaluation Mechanism, Directors are allowed to seek independent professional advice in the discharge of their duties, and are encouraged to maintain independent contact with and consult the senior management of the Company. In addition, the Board will conduct an annual review of its independence.

During the Reporting Period, the Board has reviewed the implementation and effectiveness of the Board Independence Evaluation Mechanism and considers that it has been effectively implemented.

The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent throughout the period from the Listing Date up to December 31, 2025 in accordance with the criteria set out in Rule 3.13 of the Listing Rules. During the Reporting Period, the Company has not yet conducted a performance appraisal of the Board, and the Company plans to complete a formal appraisal of the Board's performance by December 31, 2026.

Appointment and Re-election of Directors

Code Provision B.2.2 provides that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In accordance with the Articles of Association, Directors (including non-executive Directors and independent non-executive Directors) shall be elected or replaced at a general meeting for a term of three years. Each Director is appointed under a director's service agreement or letter of appointment for a specified term of three years. Upon expiry of the term of office, a Director may be re-elected and serve consecutive terms in accordance with the securities regulatory rules of the place where the Company's shares are listed, provided that an independent non-executive Director who has served for more than nine years shall, after fulfilling the relevant deliberation procedures in accordance with the Listing Rules, be eligible for re-appointment. If a Director's term expires without a timely reelection or when the resignation of a Director during their term results in the number of Board members falling below the statutory minimum, the outgoing Directors shall continue to perform their duties as Directors in accordance with the laws, administrative regulations, regulatory documents, and the Articles of Association until the newly elected Directors take office. Subject to compliance with relevant laws, administrative regulations and regulatory documents, if the Board appoints a new Director to fill a casual vacancy on the Board, such appointed Director shall hold office only until the first general meeting after his/her appointment and shall then be eligible for re-election.

The procedures and processes for the appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the composition of the Board and providing recommendations to the Board on the appointment, re-election and succession planning of Directors.

The term of the first session of the Board and the Supervisory Committee expired on March 26, 2026. As the preparation for the election of the new sessions of the Board and the Supervisory Committee (the "**Election**") is still in progress, and taking into account that the Company is currently in the process of preparing its annual report and undergoing audit, in order to ensure the continuity and stability of the relevant operations of the Company, the Election of the new session of the Board and Supervisory Committee will be postponed as appropriate, and the term of the first session of the Board and Supervisory Committee will be extended. The term of the committees under the first session of the Board and the senior management of the Company will also be extended accordingly. All the members of the first session of the Board and the Supervisory Committee of the Company will continue to fulfill their respective obligations and responsibilities in accordance with the relevant laws and regulations and the Articles of Association. The Company will actively advance the election process for the new sessions of the Board and Supervisory Committee and make further announcements regarding the Election in due course.

As of the date of the annual report, the specific terms of service of the Directors are as follows:

Name of Director	Term of service
Executive Directors	
Dr. Tian Guanghui *(Chairman of the Board, chief executive officer and general manager)*	March 27, 2023 – present
Dr. Hu Tianwen	March 27, 2023 – present
Non-executive Director	
Mr. Liu Haoxuan	March 27, 2023 – present
Independent non-executive Directors	
Dr. Ju Dianwen	March 27, 2023 – present
Ms. Cao Xinwen	March 27, 2023 – present
Dr. Xu Hongxi	January 24, 2025 – present

Responsibility, accountability and contribution of the Board and Management

The Board is responsible for the leadership and control of the Company and collectively responsible for directing and supervising the affairs of the Company.

The Board leads and guides the management directly and indirectly through its committees, including by formulating strategies and monitoring their implementation, monitoring the Group's operational and financial performance, and ensuring that sound internal control and risk management systems are in place.

All Directors (including non-executive Directors and independent non-executive Directors) provide the Board with valuable business experience, knowledge and expertise in various areas, assisting the Board to function efficiently and effectively.

Independent non-executive Directors are responsible for ensuring that the Company maintains high standards of regulatory reporting, and for balancing the power of the Board and exercising effective independent judgment on corporate actions and operations.

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

The Board reserves to itself the decision-making power on all significant matters relating to policy affairs, strategy and budget, internal control and risk management, material transactions (particularly those that may involve conflicts of interest), financial information, appointment of Directors and other significant operation issues of the Company.

The management is responsible for the day-to-day management and operation of the Group's business. To maintain the efficient operation of the Company and the flexibility and responsiveness of business decision-making, the Board also delegates to the management, where necessary, its power and authority in management and administration, and provides clear guidelines on such delegation, so as not to impede or undermine the ability of the Board as a whole to discharge its functions.

CORPORATE GOVERNANCE FUNCTIONS

The Board that corporate governance should be the collective responsibility of the Directors, whose corporate governance functions (including those set out in code provision A.2.1 of the Corporate Governance Code) include:

(a) developing and reviewing the Company's corporate governance policies and practices, and making recommendations to the Board and reporting to the Board on such matters;

(b) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(c) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

(d) developing, reviewing and monitoring the code of conduct and compliance manual for employees and Directors; and

(e) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the corporate governance report.

The Board has performed the above corporate governance functions during the Reporting Period.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed Director is provided with necessary induction training and information to ensure that he/she has an appropriate understanding of the Company's operations and business as well as his/her responsibilities under relevant laws, regulations, rules and ordinances. In accordance with code provision C.1.4 of the Corporate Governance Code regarding continuous professional development, the Company also arranges seminars for Directors on a regular basis to provide them with updates on the latest developments and changes to the Listing Rules and other relevant legal and regulatory requirements from time to time. Directors are also regularly provided with updates on the Company's performance, position and prospects to enable the Board and each Director to perform their duties. In addition, Directors are arranged to meet with the senior management of the Company.

The Company encourages Directors to participate in appropriate continuous professional development seminars and programs to enhance and update their knowledge and skills, to ensure that they continue to contribute to the Board in an informed and fit-for-purpose manner. The Company has also engaged external legal advisers to provide training to Directors on updates of the Listing Rules and the latest developments of relevant rules and regulations. The joint company secretaries of the Company also update and provide written training materials on the roles, functions and duties of Directors from time to time.

Based on the information provided by the Directors, the training received by all Directors during the Reporting Period is summarized as follows:

Name of Directors	Nature of Continuous Professional Development Programs[Note]
Executive Directors	
Dr. Tian Guanghui	A&B
Dr. Hu Tianwen	A&B
Non-executive Director	A&B
Mr. Liu Haoxuan	A&B
Independent non-executive Directors	A&B
Dr. Ju Dianwen	A&B
Ms. Cao Xinwen	A&B
Dr. Xu Hongxi	A&B

Notes:

A: Attending seminars and/or meetings and/or forums and/or briefings

B: Reading materials on various topics, including corporate governance, directors' duties, the Listing Rules and other relevant legislation

C: Attending training relevant to the Company's business conducted by lawyers

BOARD COMMITTEES

The Board has established three committees, namely the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, to oversee specific aspects of the Company's affairs. All Board committees are required to report to the Board on their work and recommendations or opinions.

All Board committees of the Company have clear terms of reference setting out their scope of authority, explicitly stating their powers and duties. The procedures and arrangements for holding meetings of the Board committees are, as far as practicable, consistent with those set out in their terms of reference.

All Board committees are provided with sufficient resources to discharge their duties and may seek independent professional advice as reasonably required in appropriate circumstances at the Company's expense.

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Audit Committee comprises one non-executive Director and two independent non-executive Directors, namely Ms. Cao Xinwen, Dr. Xu Hongxi and Dr. Ju Dianwen, with Ms. Cao Xinwen serving as the chairperson. Ms. Cao Xinwen possesses the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The primary duties of the Audit Committee are as follows:

(1) supervising and evaluating the work of the external auditors;

(2) providing guidance to the internal audit function;

(3) overseeing the effectiveness of the financial reporting system, risk management, and internal control systems;

(4) reviewing the Company's financial reports and providing opinions thereon;

(5) implementing the Company's corporate governance procedures;

(6) facilitating communication among the management, the internal audit department, relevant departments, and the external auditors; and

(7) other matters authorized by the Board, as well as other matters stipulated by relevant laws and regulations.

The terms of reference of the Audit Committee are published on the websites of the Company and the Stock Exchange and are available for inspection by Shareholders.

As the Company was listed on the Listing Date, no Audit Committee meeting was held during the period from the Listing Date up to December 31, 2025.

REMUNERATION AND APPRAISAL COMMITTEE

The Company has established a Remuneration and Appraisal Committee in accordance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, namely Dr. Xu Hongxi, Dr. Hu Tianwen and Dr. Ju Dianwen, with Dr. Xu Hongxi serving as the chairperson.

The primary duties of the Remuneration and Appraisal Committee are as follows:

(1) to make recommendations to the Board regarding the Company's overall remuneration policy and structure for all Directors, Supervisors, and senior management, and to formulate remuneration policies by establishing formal and transparent procedures;

(2) to review and approve management's remuneration proposals in light of the corporate policies and objectives established by the Board (such proposals shall include non-monetary benefits, pension rights, and compensation amounts (including compensation for loss or termination of office or appointment));

(3) to determine the specific remuneration package terms for each executive Director and senior management member;

(4) to make recommendations to the Board on the remuneration of non-executive Directors;

(5) to make recommendations to the Board on the remuneration of Supervisors;

(6) to consider remuneration levels paid by comparable companies, the time commitment and responsibilities of the relevant positions, and the employment conditions of other positions within the Group;

(7) to review and approve compensation payable to executive directors and senior management in the event of loss or termination of office or appointment, ensuring that such compensation is consistent with contractual terms; if not consistent, such compensation must nevertheless be fair and reasonable and not excessive;

(8) to review and approve compensation arrangements arising from dismissal or removal of a Director for misconduct, ensuring that such arrangements are consistent with contractual terms; if not consistent, such compensation must nevertheless be reasonable and appropriate;

(9) to ensure that no Director or any of his/her associates may participate in determining his/her own remuneration;

(10) to evaluate the performance of executive Directors and incorporate such evaluations into the annual work summary;

(11) to review the service contract terms of Directors and Supervisors;

(12) to review, approve, and handle matters relating to share schemes for which the Remuneration and Appraisal Committee is responsible under Chapter 17 of the Listing Rules (if applicable); and

(13) other matters authorized by the Board.

The terms of reference of the Remuneration and Appraisal Committee are published on the websites of the Company and the Stock Exchange and are available for inspection by Shareholders.

The Remuneration and Appraisal Committee will hold at least one meeting each year to discuss remuneration-related matters (including the remuneration of Directors, Supervisors and senior management) and review the Group's remuneration policies. The Remuneration and Appraisal Committee will make recommendations to the Board on the remuneration packages of each executive Director and senior management.

Details of the Company's remuneration policies are set out in the "Report of the Directors" section of the annual report.

As the Company was listed on the Listing Date, no Remuneration and Appraisal Committee meeting was held during the period from the Listing Date up to December 31, 2025.

REMUNERATION OF SENIOR MANAGEMENT

Pursuant to code provision E.1.5 of Part 2 of the Corporate Governance Code, details of the remuneration ranges of members of senior management (other than Directors and Supervisors) (whose particulars are set out in the section headed "Directors, Supervisors and Senior Management" in this annual report) for the year ended December 31, 2025 are set out below:

Remuneration Band	Number of Persons
HK$7,500,001 to HK$8,000,000	2
HK$8,000,001 to HK$8,500,000	1

NOMINATION COMMITTEE

The Company has established a Nomination Committee in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Dr. Tian Guanghui, Dr. Xu Hongxi and Ms. Cao Xinwen, with Dr. Tian Guanghui serving as the chairperson.

The primary duties of the Nomination Committee are as follows:

(1) review the structure, size and composition of the Board (including skills, knowledge and experience) at least once a year, assist the Board in preparing a board skills matrix and make recommendations on any changes to the Board to complement the Company's corporate strategy;

(2) identify, on an ongoing basis, individuals suitably qualified to become Board members, select or recommend nominees for directorships and advise the Board accordingly;

(3) assess the independence of independent non-executive Directors;

(4) make recommendations to the Board on the appointment or re-appointment of Directors and on succession planning for Directors, in particular the chairman of the Board and the chief executive officer;

(5) review the Board Diversity Policy, the measurable objectives set by the Board from time to time to implement the Policy, and progress towards achieving them, and disclose the Policy or a summary of it in the Corporate Governance Report;

(6) if the Board proposes a resolution at a shareholders' meeting to elect an individual as an independent non-executive Director, the circular and/or explanatory statement to Shareholders accompanying the notice of that meeting must set out: (1) the process used to identify the candidate, the reasons the Board believes the candidate should be elected and why it considers the candidate to be independent; (2) if the candidate will hold a directorship in seven or more listed companies, the reasons the Board believes the candidate will still be able to devote sufficient time to fulfill his/her duties as director; (3) the perspectives, skills and experience the candidate can bring to the Board; and (4) how the candidate will contribute to Board diversity;

(7) review the implementation and effectiveness of the Company's mechanisms for ensuring independent views and inputs are available to the Board;

(8) report to the Board on its decisions or recommendations, unless restricted by legal or regulatory requirements;

(9) comply with any other requirements on the duties and authorities of Nomination Committee members under the Listing Rules as amended from time to time; and

(10) exercise other powers granted by the Board.

The terms of reference of the Nomination Committee are published on the websites of the Company and the Stock Exchange and are available for inspection by Shareholders.

As the Company was listed on the Listing Date, no Nomination Committee meeting was held during the period from the Listing Date up to December 31, 2025.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to our Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

The Nomination Committee is responsible for reviewing Board diversity. Since the Company's Listing, the Nomination Committee reviews the Board Diversity Policy from time to time and at least annually, sets measurable objectives for implementing the Board Diversity Policy and reviews such objectives, monitors progress towards achieving these measurable objectives, and evaluates the implementation of the Board Diversity Policy to ensure its effectiveness.

The Board has set measurable objectives for implementing the Board Diversity Policy, including the appointment of at least one female Board member. From the Listing Date to December 31, 2025, the Board comprised five male members and one female member. The Nomination Committee and the Board consider that the composition of the Board has achieved sufficient diversity (including gender diversity). The Board's objective is to maintain at least the current level of female representation, and the Board will continue to explore opportunities to increase the proportion of female members when suitable candidates are identified in the future, thereby achieving the goal of long-term gender equality at the Board level. Our Directors possess a balanced mix of knowledge and skills, including but not limited to finance and accounting, R&D and investment. They hold multiple professional degrees, including pharmaceutical engineering, medicinal chemistry, law and accounting. In addition, the Board has a relatively wide range of ages, ranging from 36 years old to 64 years old.

The Nomination Committee and the Board have reviewed the membership, structure and composition of the Board, and are of the view that the Board structure is reasonable, and that the Directors' experience and skills in various aspects and fields enable the Company to maintain a high level of operations.

Having considered the Company's current business model and specific needs, as well as the different backgrounds, capabilities, ages and genders of the Directors, we consider that all Directors (including independent non-executive Directors) bring a variety of valuable business experience, knowledge and expertise to the Board, enabling it to function effectively, and that the Board Diversity Policy has been effectively implemented.

The Nomination Committee will review the Board Diversity Policy from time to time to ensure its effectiveness. If necessary, the Nomination Committee will discuss any relevant amendments and submit such amendments to the Board for consideration and approval.

WORKFORCE DIVERSITY

For the year ended December 31, 2025, among our senior management, two were female, representing 40.0% of the senior management. Our total workforce (including senior management) was 315, of which male employees accounted for 55.6% and female employees accounted for 44.4%. Taking into account the nature of the industry, the Company considers that the male-to-female ratio of the Group's employees is normal, and that the Group's workforce has currently achieved gender diversity among employees. Therefore, no measurable objectives have been set. The Company has not identified any factors or circumstances that would make achieving gender diversity among all employees (including senior management) more challenging or less relevant. The Group aims to avoid any form of harassment and discrimination in the workplace related to age, gender, ethnicity, nationality, religion, marital status or disability through the implementation of human resources management policies, and to ensure that all employees are treated equally and fairly. The Company will also promote gender diversity in the recruitment of middle and senior-level employees, so that the Company will have a pool of female senior management reserves and cultivate potential successors for the Board.

DIRECTOR NOMINATION POLICY

The Company has adopted a Director Nomination Policy (the "**Director Nomination Policy**") in accordance with the Corporate Governance Code and the Listing Rules. The Nomination Committee performs the following Director selection policies/procedures in accordance with its terms of reference to select and recommend director candidates.

The Director Nomination Policy sets out the selection criteria and procedures for nomination and appointment of Directors, and the factors to be considered for Board succession planning, with the aim of ensuring that the Board maintains a balanced mix of skills, experience and diverse perspectives that are fit for the business requirements of the Company.

SELECTION CRITERIA

The Nomination Committee will assess, select and recommend Director candidates to the Board through due consideration of appropriate criteria, and will duly consider the benefits of Board diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), whether sufficient time can be devoted to effectively discharge duties, their service on other listed and non-listed companies (which should be limited to a reasonable number), qualifications (including achievements and experience in industries relevant to the Company's business), independence, integrity and reputation, potential contribution that individuals can make to the Board, and commitment to enhancing and maximizing shareholder value.

SELECTION PROCEDURES

The Nomination Committee will follow the following procedures and processes in providing recommendations to the Board on the appointment of Directors:

(a) communicate with relevant departments of the Company, assess its needs for new Directors, and document the findings;

(b) based on position requirements and the Board Diversity Policy, the Nomination Committee may extensively search for Director candidates within the Company, controlled (or joint-stock) entities, and the talent market;

(c) the Nomination Committee may adopt any procedures and processes it considers appropriate to identify or select suitable candidates and assess their suitability;

(d) collect information on the preliminary candidates, including profession, educational background, professional titles, detailed work experience and all concurrent positions, and document such information;

(e) in accordance with the provisions of relevant laws, regulations and the Articles of Association, seek the nominee's consent to the nomination in respect of nominations by relevant institutions or persons, otherwise such person cannot be considered as a Director candidate;

(f) convene a Nomination Committee meeting to conduct qualification review of preliminary candidates against the eligibility criteria for Directors and senior management;

(g) form a resolution of the Nomination Committee meeting, and submit recommendations and relevant materials on Director candidates to the Board one to two months prior to the election of new Directors;

(h) take other further steps based on the Board's decisions and feedback.

The Director Nomination Policy also sets out the criteria for assessing and recommending the re-appointment of retiring Directors and independent non-executive Directors to the Board.

With respect to the re-election of Directors at a general meeting, the Nomination Committee shall review the overall contribution and service of the retiring Director to the Company, including attendance at Board meetings, Board committee meetings and general meetings (if applicable), as well as his/her level of engagement and performance on the Board. The Nomination Committee shall require the nominee to submit updated biographical information and a consent letter for re-election as a Director; and shall review and determine whether the retiring Director continues to meet the selection criteria for Directors. The Nomination Committee will subsequently make recommendations to the Board on the re-election of Directors.

The Nomination Committee will monitor and review the implementation of the Director Nomination Policy from time to time and will report to the Board annually to ensure its effectiveness. As at the date of the annual report, the Nomination Committee and the Board have reviewed the Director Nomination Policy and consider it to be effective.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company is exposed to various risks in business operations and recognizes that risk management is critical to the Group's success. For a discussion of various operational risks and uncertainties the Company is faced with, please refer to "Report of the Directors – Key Risks and Uncertainties" in the annual report.

The Company is committed to establishing and maintaining risk management and internal control systems that are fit for purpose, and continuously strives to improve these systems. The Board acknowledges its responsibility for the Group's risk management and internal control systems and reviews their effectiveness annually. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

To monitor the ongoing implementation of risk management policies and corporate governance measures, the Company has adopted or will continue to adopt, among other things, the following risk measures:

- The Board is be responsible for (i) formulating our risk management policy; (ii) reviewing and approving major risk management issues of our Company; (iii) promulgating risk management measures; (iv) providing guidance on our risk management approach to the relevant departments in our Company; (v) reviewing the relevant departments' reporting on key risks and providing feedbacks; (vi) supervising the implementation of our risk management measures by the relevant departments; (vii) ensuring that the appropriate structure, processes and competencies are in place across our Company; and (viii) reporting to our Audit Committee on our material risks.

- The Audit Committee oversees and manages the overall risks associated with our business operations, including (i) reviewing and approving our risk management policy to ensure that it is consistent with our corporate objectives; (ii) reviewing and approving our corporate risk tolerance; (iii) monitoring the most significant risks associated with our business operation and our management's handling of such risks; (iv) reviewing our corporate risk in the light of our corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of our risk management framework across our Company.

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

Further, the Board is responsible for establishing our internal control system and reviewing its effectiveness. The Company's internal control policies set out a framework to identify, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- The Company has adopted various measures and procedures regarding each aspect of our business operation. Our special inspection personnel will monitor the implementation of our internal control policies, reports the weakness identified to our management and Audit Committee and follows up on the rectification actions.

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

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

- The Company has engaged Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules to provide advice to our Directors and senior management team regarding matters relating to the Listing Rules. Our compliance advisor is expected to, upon our consultation, provide advice and guidance in respect of compliance with the applicable laws and Listing Rules including various requirements of directors' duties and internal control in a timely fashion.

- The Company provides various and continuing trainings to update our Directors, senior management, and relevant employees on the latest laws and regulations from time to time with a view to proactively identify any concerns and issues relating to any potential non-compliance.

- Regarding anti-bribery and anti-kickback, we issued anti-bribery and anti-fraud policy which included compliance training for our personnel, particularly our sales and marketing personnel, and setting whistle-blowing system for non-compliance behavior and penalties for bribery and fraud cases.

- The Company has established procedures to protect the confidentiality of patients' personal data. We maintain policies which require our personnel to be trained on collecting and safeguarding personal information. We also require our CROs to safeguard the data in their possession. Access to clinical trial data has been strictly limited to authorized personnel only according to the good clinical practice and relevant regulations. Additionally, we require external parties and internal employees involved in clinical trials to comply with applicable confidentiality requirements. Data can only be used for the intended purpose, as agreed by the patients and the data usage shall be consistent with the informed consent form. We have a number of ongoing or planned clinical studies. Any transfer of clinical trial data in connection with our product development efforts and regulatory communications is subject to the applicable data and privacy protection laws.

- The Company has established an internal control mechanism for identifying connected transactions. If the Company enters into connected transactions with the Controlling Shareholders or any of their associates, the Company will comply with the applicable Listing Rules.

- The Directors believe that compliance creates value for us and dedicate to cultivating a compliance culture among all of our employees. To ensure such compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we regularly conduct internal compliance checks and inspections, adopt strict accountability internally and conduct compliance training.

The Company has regularly reviewed and enhanced the risk management system and the internal control system, and considers that all Directors and members of senior management are equipped with necessary knowledge and experience to perform robust corporate governance oversight for risk management and internal control.

The Company has established an anti-corruption policy to prevent and eliminate any form of corruption, including bribery, extortion, fraud and money laundering, and provided multiple anti-corruption reporting channels, including a supervision hotline, reporting email, reporting address and service supervision hotline, to encourage stakeholders to report any internal or external corrupt practices. All whistle-blowers will have their personal data protected by the Company, ensuring that they will not suffer any unfair treatment as a result of their reporting. In respect of reported corrupt practices, the Company will appoint dedicated personnel to conduct investigations. Once verified, penalties will be imposed in accordance with established policies, and serious cases will be transferred to judicial authorities. For the year ended December 31, 2025, the Company provided anti-corruption training to all employees, and there were no incidents of corruption or misconduct that had a material impact on the overall operation.

The Group has also established a whistleblowing policy for members of the Board, the management, employees and third parties acting on behalf of the Group such as suppliers and business partners, with the aim of ensuring that the Group and relevant stakeholders will uphold the highest standards of professional conduct. The whistleblowing policy not only further strengthens the Group's internal control environment, but also enables employees and persons who have business dealings with the Company to report to the Audit Committee, through this platform in a confidential and anonymous manner, any suspected misconduct, fraud or illegal acts in any matters relating to the Company.

The key functions of the risk management and internal control systems are to safeguard assets, ensure the proper maintenance of accounting records and the provision of reliable financial reporting, and ensure compliance with applicable laws and regulations.

The Company has formulated a disclosure policy to provide Directors, Supervisors, senior management and relevant employees with general guidelines on handling confidential information, monitoring disclosure of information and responding to enquiries.

The Company has implemented control procedures to ensure that unauthorized access to and use of inside information is strictly prohibited.

The risk management and internal control systems are reviewed annually. The Management has confirmed to the Board and the Audit Committee the effectiveness of the risk management and internal control systems during the Reporting Period. With the support of the Audit Committee, management reports and internal audit results, the Board reviewed the Group's risk management and internal control systems during the Reporting Period. Such review covered all material controls, including financial, operational and compliance controls as well as risk management and internal control functions, and no material issues or significant deficiencies were identified. The Board considers that the risk management and internal control systems were effective and adequate from the Listing Date and up to the date of this report, and that the Company has sufficient resources, staff qualifications and experience, training programs and budget in respect of accounting, internal audit and financial functions, as well as those relating to ESG performance and reporting.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING IN THE FINANCIAL STATEMENTS

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

The management of the Company has provided the Board with necessary explanations and information to enable the Board to make an informed assessment of the consolidated financial statements of the Group presented to the Board for approval. The Company provides all members of the Board with monthly updates on the Group's results, position and prospects.

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

The statement of the Company's auditor regarding its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 103 to 106 of the annual report.

AUDITOR'S REMUNERATION

For the year ended December 31, 2025, the remuneration paid and payable by the Company to the external auditor of the Group for audit services is set out below:

Type of Services	Amount (RMB'000)
Audit services	4,300

JOINT COMPANY SECRETARIES

Ms. Guo Ting ("**Ms. Guo**") is the secretary of the Board and a joint company secretary of the Company, responsible for advising the Board on corporate governance matters and ensuring compliance with the Board's policies and procedures, applicable laws, rules and regulations.

To maintain good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has also appointed Ms. Au Wing Sze ("**Ms. Au**") of TMF Hong Kong Limited, a corporate secretarial services provider, as another joint company secretary of the Company to assist Ms. Guo in performing her duties as a joint company secretary of the Company. Ms. Au's primary contact person at the Company is Ms. Guo.

Details of the biographies of Ms. Guo and Ms. Au are set out in the section headed "Directors, Supervisors and Senior Management" on page 28 of the annual report.

Ms. Guo Ting and Ms. Au Wing Sze have complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training during the year, to update their skills and knowledge.

All Directors have access to the advice and services of the company secretaries on matters relating to corporate governance and Board practices.

DIVIDEND POLICY

The Company do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with the Articles of Association and the accounting standards and regulations in China. As advised by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our financial results for the Reporting Period and the accumulated losses as disclosed in the Prospectus, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

SHAREHOLDERS' RIGHTS

To safeguard the interests and rights of Shareholders, the Company will propose separate resolutions at general meetings on all matters, including the election of individual Directors and Supervisors. In accordance with the Listing Rules, all resolutions proposed at general meetings will be voted on by poll, and the results of the poll voting will be published on the websites of the Company and the Stock Exchange after each general meeting.

All resolutions proposed at general meetings will be voted on by poll in accordance with the Listing Rules, and the voting results will be published on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Right to convene an extraordinary general meeting

According to Article 51 of the Articles of Association, Shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to request the Board to convene an extraordinary shareholders' meeting, which shall be submitted in writing to the Board.

The Board shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with convening the extraordinary shareholders' meeting within ten days upon receipt of the request.

If the Board agrees to convene an extraordinary shareholders' meeting, the Board shall, within five days after the Board resolution is made, issue a notice of convening the meeting. Changes to the original proposal in the notice shall be subject to the approval of the proposing Shareholders.

If the Board disagrees to convene an extraordinary shareholders' meeting or fails to give feedback within ten days upon receipt of the request, Shareholders who individually or collectively hold more than 10% of the Company's shares shall have the right to propose to the Supervisory Committee to convene the extraordinary shareholders' meeting and shall submit their request in writing to the Supervisory Committee. The Supervisory Committee shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with convening the extraordinary shareholders' meeting within ten days upon receipt of the request.

If the Supervisory Committee agrees to convene an extraordinary shareholders' meeting, the Supervisory Committee shall, within five days after the resolution of the Supervisory Committee is made, issue a notice of convening the meeting. Changes to the original proposal in the notice shall be subject to the approval of the proposing Shareholders.

If the Supervisory Committee disagrees to convene an extraordinary shareholders' meeting or fails to make a decision within ten days upon receipt of the request, it shall be deemed that the Supervisory Committee does not convene and preside over the shareholders' meeting, and the Shareholders who individually or collectively hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the meeting by themselves.

Pursuant to Article 52 of the Articles of Association, when the Shareholders decide to convene a shareholders' meeting by themselves, they shall notify the Board in writing; before a shareholders' meeting resolution is announced, the shareholding percentage of the convening Shareholders shall not be less than 10%.

Right to Putting Forward Proposals at general meetings

According to Article 56 of the Articles of Association, where the Company convenes a shareholders' meeting, Shareholders who individually or collectively hold more than 1% of the Company's shares shall have the right to make proposals to the Company.

The Shareholders who individually or collectively hold more than 1% of the Company's shares may raise a temporary proposal and submit it to the convener in writing within the period stipulated in the Company Law and the Listing Rules before the shareholders' meeting is held. The temporary proposal shall have a clear agenda and specific resolutions. The convener shall, within two days after the receipt of the proposal, serve a supplementary notice of the shareholders' meeting, and announce the contents of the temporary proposal.

For matters relating to the nomination of candidates for election as Directors of the Company, please refer to "Corporate Governance – Governance Documents – Procedures for Shareholders to Nominate Candidates for Directors (Other Than Retiring Directors)" published on the Company's website.

Making enquiries to the Board

Shareholders and other investors who wish to make enquiries to the Board regarding the Company may contact the Company through the following channels.

Contact details

Shareholders may submit enquiries or requests through the following means:

Address: 8th Floor, Building A, No. 108, Yuxin Road, Suzhou Industrial Park District, Suzhou, PRC
Telephone: +86 0512-62898837
Email: ir@vigonvita.cn

For the avoidance of doubt, if Shareholders correspond in writing, they must deliver and send the original of the duly signed written request, notice or statement (as the case may be) to the above address, and provide their full names, contact details and identity information, so that the Company may respond. Shareholders' information may be disclosed in accordance with legal requirements.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for fostering investor relations and enhancing understanding of the Group's business, performance and strategy. The Company also recognizes the importance of timely and non-selective disclosure of information about the Company, which enables Shareholders and investors to make informed investment decisions.

The annual general meeting provides Shareholders with an opportunity to communicate directly with the Directors. The Chairman and the chairpersons of each Board committee will attend the annual general meeting to answer questions raised by Shareholders. The Company's auditor will also attend the annual general meeting to answer questions regarding the audit work, the preparation and content of the auditor's report, accounting policies and the auditor's independence.

As the Company was listed on the Listing Date, no annual general meeting was held during the Reporting Period.

To facilitate effective communication, the Company has adopted a shareholders communication policy with the aim of establishing a two-way relationship and communication between the Company and the Shareholders, and maintains a website (https://www.vigonvita.cn) to publish up-to-date information on the Company's business operations and development, financial information, corporate governance practices and other information for public inspection.

The Company is committed to disclosing relevant and consistent information to investors to ensure that they are regularly or from time to time informed of the Group's business development, operational strategies and industry-related updates. Meanwhile, the Company adopts multiple channels and methods to actively develop investor relations, ensuring effective two-way communication and close engagement with investors.

The Company has established the following channels to maintain communication with Shareholders:

(i) Corporate communications (as defined in the Listing Rules) are provided to Shareholders in plain and user-friendly Chinese and English versions to facilitate their understanding. Shareholders have the right to choose the language or means of receipt (printed copy or electronic form) of corporate communications;

(ii) Annual general meetings and extraordinary general meetings provide Shareholders with a platform to express opinions and exchange views with Directors and senior management; the Board welcomes Shareholders' opinions and encourages Shareholders to attend annual general meetings to directly raise any concerns they may have to the Board;

(iii) Disclosures made by the Company in accordance with the Listing Rules are available on the Stock Exchange's website;

(iv) Information uploaded by the Company to the Stock Exchange's website is also immediately published on the Company's website (including but not limited to announcements, annual reports, interim reports, circulars and notices of general meetings);

(v) Other corporate information relating to the Company's business development, objectives and strategies, corporate governance and risk management is also available on the Company's website; and

(vi) The Company's H Share Registrar provides services to Shareholders on share transfers, dividend payments and related matters.

For the year ended December 31, 2025, the Company has reviewed the implementation and effectiveness of the shareholders communication policy and confirmed that the Company has disclosed all necessary information to Shareholders in compliance with the Listing Rules, has incorporated communication channels for Shareholders to express their views on matters affecting the Company, and has taken appropriate and adequate measures to solicit and understand the opinions of Shareholders and stakeholders. The Company considers that the shareholders communication policy has been effectively implemented through the above channels and means.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Articles of Association was adopted on January 24, 2025, with effect from the Listing Date, and are available for inspection on the websites of the Stock Exchange and the Company. From the Listing Date to December 31, 2025, the Company did not make any amendments to the Articles of Association.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

BOARD STATEMENT

The Board of Directors (the "**Board**") of the Company assumes full and comprehensive responsibility for the Company's environmental, social and governance ("**ESG**") strategies. It is responsible for assessing and analysing the Company's ESG-related risks, ensuring the establishment of appropriate and effective ESG risk management and internal control systems, fully supervising the progress of ESG initiatives, and guaranteeing the effective implementation of relevant policies and plans.

The Company regularly assesses the materiality of ESG issues based on external social and environmental conditions and its own development strategies. Through the identification and prioritisation of key ESG issues, it supervises the fulfilment of its target commitments and responsibility performance, ensuring the integration of ESG principles into the Company's strategies. The Company has established an ESG Working Group comprising key principals of departments including the Board Office, HSE Department and, Comprehensive Administration Department. The ESG Working Group reports to the Board and senior management of the Company to assist them in assessing and refining the Company's ESG management system, supervising the achievement of corporate strategic objectives and enhancing the Company's ESG performance. In light of our own business operation characteristics, the Company has established an ESG indicator system and set control targets for the environmental dimension. All ESG-related disclosure progress, together with this report, has been reviewed by the Board.

This report objectively and truthfully discloses the progress and achievements of the Company's ESG initiatives in 2025. The Board and all directors of the Company confirm that the Report contains no false records, misleading statements or material omissions, and accepts individual and joint liability for the truthfulness, accuracy and completeness of its contents. Going forward, the Company will continuously optimize its ESG management strategies and implementation approaches in line with stakeholders' expectations and operational practices, and steadily elevate its ESG management standards and performance.

SECTION I ABOUT THE REPORT

This *Environmental, Social and Governance Report* (the "**Report**" or "**ESG Report**") is issued by Vigonvita Life Sciences Co., Ltd. ("**Vigonvita**", "**We**" or "**the Company**"). Adhering to the principles of truthfulness and reliability, the Report discloses to all stakeholders the work carried out and achievements attained by the Company in the environmental, social and governance (collectively, "**ESG**") fields during 2025. This Report should be read in conjunction with the *Corporate Governance Report* in the 2025 Annual Report and the "Corporate Governance" section on the Company's website to enhance readers' comprehensive understanding of the Company's ESG practices and initiatives.

Basis of Preparation

This Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Code* as set out in Appendix C2 to the *Main Board Listing Rules of the Stock Exchange of Hong Kong* ("**HKEX**").

Reporting Principles

This Report complies with the reporting principles of materiality, quantification, balance and consistency as set out in the *Environmental, Social and Governance Reporting Code* (the "**ESG Code**") of The Stock Exchange of Hong Kong Ltd. (the "**Stock Exchange**"), and fulfils its disclosure obligations under the "mandatory disclosure" and "comply or explain" provisions.

In the preparation of this Report, the Company has identified its key stakeholders and the ESG issues of concern to them, and has made targeted disclosures in the Report based on the relative materiality of such issues. For details of the materiality assessment process, please refer to the sections "Stakeholder Engagement" and "Materiality Assessment of Material Issues" below.

Reporting Boundary

Reporting Structure and Scope: Centred on Vigonvita, this Report covers its subsidiary and branch companies, and the reporting scope is consistent with that of the 2025 Annual Report.

Reporting Period

This Report is an annual report. Unless otherwise stated, the reporting period covers January 1, 2025 to December 31, 2025 (the "**reporting period**"). To enhance the comparability and completeness of the Report, certain content has been appropriately extended to prior or subsequent periods.

Sources of Information

Unless otherwise specified, the data and cases in this Report are mainly derived from the Company's public information, statistical reports, relevant documents and internal communication papers.

CONFIRMATION AND APPROVAL

This report was approved by the Board on March 31, 2026.

Access to the Report

This Report forms part of the Company's 2025 Annual Report. In the interest of environmental protection, we recommend reading the electronic version of this Report, which is available on the HKEX website (www.hkexnews.hk) and the Company's official website (https://www.vigonvita.cn). Should you have any comments or suggestions regarding the Company's ESG disclosures and performance, please email us at ir@vigonvita.cn.

SECTION II ABOUT VIGONVITA

We are an innovation-driven biopharmaceutical enterprise. With the mission of improving patients' health and quality of life, We are committed to the discovery and development of novel drugs in the fields of viral infections, neuropsychiatry and reproductive health. Vigonvita has established a comprehensive, end-to-end and fully internal-controlled system covering the whole industrial chain from lead discovery, druggability evaluation, pre-clinical study, clinical research, manufacturing and commercialisation of innovative drugs, enabling the rapid and efficient translation of lead compounds from laboratory research to clinical application.

Vigonvita has built a highly competitive and diversified innovative drug product pipeline. Two of its innovative drugs are at the commercial stage, five drug candidates are at the clinical trial stage, and two candidate compounds are at the pre-clinical research stage. VV116 is an oral nucleoside RNA-dependent RNA polymerase (RdRp) inhibitor with broad-spectrum antiviral potential. Its tablet formulation for the indication of COVID-19 infection has been approved for marketing in China and Uzbekistan under the trade names 民得維® and Mindvy®, respectively Its dry suspension formulation has completed a Phase II clinical trial for respiratory syncytial virus (RSV) infection in infants and young children with positive clinical results. Based on these results, deuremidevir hydrobromide (VV116) dry suspension has been granted breakthrough therapy designation by the Center for Drug Evaluation (CDE) of the National Medical Products Administration (NMPA). TPN171 is a highly potent and highly selective phosphodiesterase 5 (PDE5) inhibitor with a novel chemical structure. Its tablet formulation for the indication of erectile dysfunction (ED) has been approved for marketing in China and Uzbekistan under the trade names 昂偉達® and Onvita®, respectively.

Adhering to the innovation-driven development philosophy, Vigonvita will continue to deepen its focus in the fields of viral infections, neuropsychiatry and reproductive health, relieve patients from pain and contribute to society.

SECTION III ESG MANAGEMENT

Vigonvita has long been committed to establishing a high-standard ESG management system, continuously optimising its ESG strategies, steadily improving its ESG governance structure, enhancing the quality and efficiency of ESG work, and effectively integrating ESG concepts and requirements into the entire process of corporate governance and business development to drive sustained improvement in ESG management standards.

The Company strictly complies with domestic ESG assessment system standards and advanced industry practices, takes the initiative to prevent and mitigate the adverse environmental impacts of its business operations, formulates and implements environmental management plans, continuously improves energy utilisation efficiency, and ensures that all operational activities strictly comply with national and local laws and regulations relating to ecological and environmental protection. At the current stage, the Company aims to establish a comprehensive and sound ESG governance mechanism, and takes historical energy consumption data during the reporting period as an important basis for formulating energy-saving strategies and setting reasonable energy-saving targets in the future.

I. ESG GOVERNANCE

The Company deeply recognises the core value of environmental protection and social responsibility, clearly identifies the potential impacts of environmental, energy, climate and workplace safety issues on the Group's business operations, strictly complies with the relevant provisions on ESG reporting, and steadily advances the implementation of ESG governance.

To standardise ESG compliance management of all departments across the Company, the Company has formulated the Environmental, Social and Governance (ESG) Policies and Procedures Manual, established an ESG management framework covering the entire business chain, and clarified the compliance requirements and implementation standards for all links.

The Board bears full responsibility for the Company's ESG affairs, with core duties including:

- First, supervising and assessing environment-related, social-related and climate-related risks and potential opportunities and overseeing the implementation of ESG-related matters and the achievement of targets;
- Second, formulating the medium and long-term ESG development goals and implementation pathways of the Company;
- Third, reviewing and adopting key ESG-related policies;
- Fourth, regularly reviewing the effectiveness of the Group's ESG work, continuously optimising management strategies, and promoting the deep integration of ESG concepts into the entire process of business development.

II. ESG STRATEGY

To systematically address environment-related, social-related and climate-related risks, the Company has formulated multi-dimensional management and control strategies and measures:

- Benchmarking the ESG reports of similar companies in the industry to comprehensively sort out risk points and ensure the full identification of relevant ESG risks;
- Maintaining regular communication with the management to accurately identify and cover all material ESG areas and ensure the comprehensiveness of management and control;
- Conducting in-depth exchanges with key stakeholders on core ESG principles and practice standards to ensure that the scope of management and control meets the expectations of all parties;
- Establishing a dedicated ESG risk management process to accurately identify and assess risks and opportunities in the ESG field, clearly distinguish them from other business risks and opportunities, and implement differentiated management and control;
- Setting quantitative KPI targets for core environmental issues such as pollution prevention and control and natural resource consumption to drive continuous improvement in environmental performance.

III. RISK MANAGEMENT

The Company strictly complies with all laws and regulations relating to Environmental, Health and Safety ("**EHS**") in the PRC, and integrates compliance management into the entire operation process. We have built a robust EHS compliance defence line through systematic measures, and clearly identify the potential impacts of environment-related, social-related and climate-related risks on our business operations. We are fully aware that non-compliance may lead to fines, penalties or additional compliance costs, which would in turn have a material adverse effect on the success of our business. To this end, the Company has established a full-process risk management and control system to drive the deep integration of ESG principles into its business development:

- We have formulated special management guidelines covering the entire process of laboratory operation procedures, as well as the use, storage, treatment and disposal of hazardous substances and wastes, clarifying implementation standards and division of responsibilities, and ensure strict implementation of all requirements through regular supervision and inspection;

- We have established a regular inspection mechanism for equipment and workplaces, conduct regular safety hazard investigation and closed-loop rectification, and proactively identify and eliminate potential risks;

- We have improved the employee health management system, keep complete health records of all employees, and provide special on-the-job health examinations for employees engaged in operations exposed to occupational hazards, so as to protect employees' occupational health in an all-round way.

In terms of social risk prevention and control, in response to the risk of improper product use, we have strengthened product usage training for medical professionals and patients, and continuously optimised the clarity and practicability of product instructions and packaging labels to reduce the risk of misuse. To enhance the accessibility of medical services, we have optimised the whole chain of research and development, manufacturing and sales processes, strictly controlled costs on the premise of ensuring product quality and safety, and fully considered patients' affordability in the pricing process, striking a balance between commercial value and social value. Meanwhile, the Board will adopt additional ESG policies relating to social responsibility and internal governance as appropriate according to our business development needs, bears full responsibility for the formulation of ESG strategies and report disclosure, regularly assesses ESG risks, reviews the effectiveness of existing strategies, objectives and internal controls, and promotes the implementation of necessary improvement measures to support our sustainable growth and long-term development.

In respect of supply chain ESG risk management, the Company has established a strict screening and management mechanism for partners. When selecting partners such as Contract Research Organisations ("**CROs**") and Contract Manufacturing Organisations ("**CMOs**"), we focus on reviewing their ESG performance, including whether they have formulated and implemented sound EHS manuals, policies and standard operating procedures, and whether they have any adverse ESG records. During the cooperation period, we require partners to submit regular ESG performance reports and conduct on-site inspections to ensure their strict compliance with applicable laws and regulations as well as our quality control processes and standards, and the effective fulfilment of their ESG obligations.

IV. METRICS AND TARGETS

During the reporting period, the Company maintained compliance in all material aspects under the applicable laws and regulations relating to the environment, occupational health and safety, and no incidents or complaints with material adverse impact on our business, financial position or operations occurred.

V. STAKEHOLDER ENGAGEMENT

The Company attaches great importance to stakeholder engagement, and conducts full and regular communication with all stakeholders through various channels to understand and actively respond to their demands.

With reference to the Environmental, Social and Governance Reporting Code and in combination with our business and the opinions and suggestions of stakeholders, we have set up various communication and feedback channels to identify the feedback, expectations and key ESG issues of concern to each stakeholder, which serve as important references for our ESG management direction and report disclosure. The details are set out below:

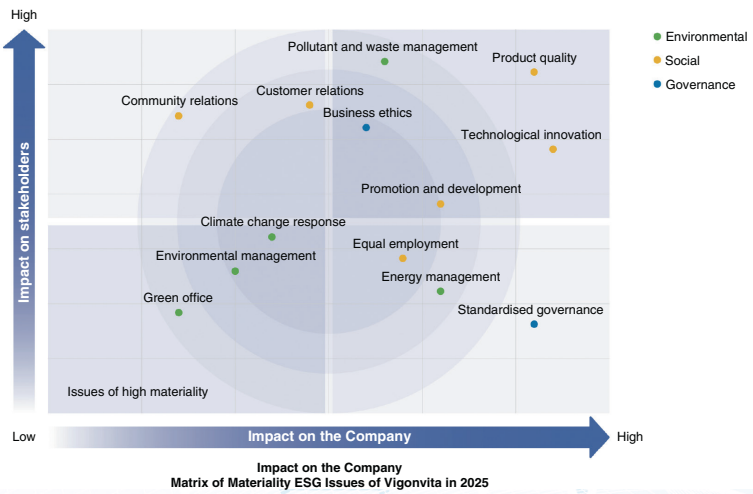
Stakeholders	Expectations and Demands	Key Communication and Feedback Channels
Government and Regulatory Authorities	Employment Supply Chain Management Product Responsibility Anti-corruption Community Investment	Compliance with laws and fulfilment of statutory obligations Establishment of internal control systems for compliant operations Timely reporting of the Company's operations Continuous improvement of pharmaceutical quality Promotion of coordinated development of the industrial chain Payment of taxes in accordance with the law
Shareholders and Investors	Employment Product Responsibility Anti-corruption	General meetings Results announcements Interim and annual reports Announcements of material events Phone, email and online investor communication Investor briefings and site visits Company website
Employees	Employment Health and Safety Development and Training Labour Standards	Performance appraisal and feedback Internal staff meetings Internal announcements and emails Staff training activities Employee benefits provision
Patients	Product Responsibility Anti-corruption	Strict quality control of pharmaceuticals throughout the process Protection of customer information and optimised complaint mechanism Consumer complaint and feedback handling Information disclosure Product communication and exchanges
Suppliers	Supply Chain Management Anti-corruption Business Ethics	Supplier tendering and evaluation Standardised management and implementation of contracts and agreements Regular supplier meetings Supplier on-site inspections
Media and Non-Governmental Organisations	Emissions Use of Resources Environment and Natural Resources Employment Supply Chain Management Product Responsibility	Compliance disclosure of environmental performance data and setting of environmental targets Press conferences Media interviews Official WeChat accounts Social media Industry seminars
Communities	Community Investment Charitable Initiatives and Volunteer Services	Maintenance of community liaison and dialogue Identification and response to community needs

VI. MATERIALITY ASSESSMENT OF MATERIAL ISSUES

Based on comprehensive results of stakeholder engagement, the Board has identified a number of material sustainability issues covering multiple areas including ESG governance, employee well-being, business ethics and environmental management, and has taken these issues as the focus of sustainability reporting during the reporting period. With respect to the identified issues, the Company has carried out in-depth review and broadly solicited stakeholder feedback by means of questionnaires, expert assessments, industry benchmarking and other approaches, so as to assess the significance of ESG issues. We describe the Company's work progress and future plans in various areas during the reporting period through different sections of this Report.

Materiality to Stakeholders	No.	Material ESG Issues
Environment	1	Energy management
	2	Pollutant and waste management
	3	Climate Change Response
	4	Environmental management
	5	Green office
Social	6	Equal employment
	7	Promotion and development
	8	Product quality
	9	Customer relations
	10	Technological innovation
	11	Community relations
Governance	12	Standardised governance
	13	Business ethics

During the reporting period, our materiality assessment results were as follows:



Impact on the Company
Matrix of Materiality ESG Issues of Vigonvita in 2025

SECTION IV ENVIRONMENT

Vigonvita regards energy conservation and efficient utilisation as a core part of its ESG strategy. We strictly comply with laws and regulations including the *Energy Conservation Law of the People's Republic of China*, and benchmark against China's ESG assessment system standards and advanced industry practices to build a full-process energy management system featuring compliance first and continuous optimisation.

I. Environmental management

The Company takes compliance as the bottom line, establishes a sound environmental management system, integrates environmental protection requirements into all links of production and office operations, and supplements it with assessment, reward and punishment mechanisms. We balance business growth and environmental protection through technological optimisation, and practise our responsibility for sustainable development.

(I) Environmental management system

The Company adheres to the concept of sustainable development, strictly complies with laws and regulations including the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution* and the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*. We establish and continuously improve the Company's environmental protection policies and systems, strengthen environmental impact monitoring and risk management, minimise the environmental footprint of operations, and fulfil the enterprise's main responsibility for ecological and environmental protection.

(II) Environmental management practices

The Company formulates relevant management specifications, imposes strict requirements on resource utilisation, energy conservation and emission reduction, and emissions management, and strives to reduce the environmental impact of the Company's operations. Guided by environmental management objectives, we formulate environmental management measures covering production, office, logistics and other links, aiming to refine environmental management to every detail.

The Company has also established an environmental management assessment, reward and punishment mechanism, commending and rewarding departments and individuals with outstanding performance in environmental management, and imposing stringent penalties for violations of environmental protection regulations. By establishing an internal environmental management system and strictly implementing relevant management specifications, the Company has successfully reduced the environmental impact of its operations and achieved a win-win situation between economic and environmental benefits.

(III) Environmental management objectives

The Company has defined its core environmental performance objectives for 2025. For the Lianyungang Facility, per capita electricity consumption of employees is 12,725 kWh, and hazardous waste emissions will be reduced by 5% respectively compared with the base year (2024). For the Suzhou Headquarters, per capita electricity consumption is 9,229.58 kWh, an increase of 69.3%; per capita hazardous waste emissions are 0.286 tonnes, a decrease of 12.6%. The objectives are formulated based on historical data of energy consumption and waste emissions in previous years, fully considering the environmental load brought by future business expansion. Through measures such as manufacturing process optimisation, application of energy-saving technologies and refined waste management, we will achieve a dynamic balance between business growth and environmental protection, and steadily advance the implementation of the sustainable development strategy.

II. EMISSIONS

The Company attaches great importance to environmental protection. For gaseous emissions, wastewater and solid waste generated in the course of the Company's operations, we have adopted strict management and treatment measures to ensure compliance with environmental protection laws and regulations and reduce impacts on the environment.

(I) WASTEWATER MANAGEMENT

To effectively fulfil the responsibility for water pollution prevention and control, and protect and improve water environment quality, the Company strictly complies with the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations. By establishing a sound whole-process wastewater management system and institutional safeguards, the Company has effectively prevented water environment risks and built a green foundation for the sustainable development of the enterprise.

Wastewater of the Company is mainly divided into three categories: laboratory waste liquid, production wastewater and domestic sewage. The Company strictly implements the principles of "clean and sewage separation" and "rain and sewage separation", and collects production wastewater, laboratory wastewater and domestic sewage by quality. We have built a special wastewater treatment station, adopt biochemical treatment and other processes for advanced wastewater treatment, and are equipped with online wastewater monitoring equipment to monitor water quality indicators in real time.

As of the end of 2025, the wastewater treatment facilities operated well, and the compliance rate of all wastewater discharge indicators reached 100%. Environmental protection facilities (including wastewater stations) operated at 100% without affecting production capacity. The completion rate of equipment maintenance for the wastewater station reached 100%.

Data of Suzhou Headquarters:

Metrics	Unit	2025
Wastewater	tonnes	8,541
Chemical oxygen demand (COD)	mg/L	197
Ammonia nitrogen (NH3-N)	mg/L	23.3
Total phosphorus (TP)	mg/L	3.2
Suspended solids (SS)	mg/L	231

Data of Lianyungang Facility:

Metrics	Unit	2025
Wastewater	tonnes	16,179.43
Wastewater discharge intensity (by revenue)	tonnes/RMB10,000	18.09
Industrial wastewater discharge volume	tonnes	14,054.43
Domestic wastewater discharge	tonnes	2,125
Chemical oxygen demand (COD)	tonnes	0.24
Biochemical oxygen demand over 5 days (BOD5)	tonnes	0.10
Ammonia nitrogen (NH3-N)	tonnes	0.02
Total phosphorus (TP)	tonnes	0.01
Total nitrogen (TN)	tonnes	0.08
Suspended solids (SS)	tonnes	0.11

(II) WASTE GAS MANAGEMENT

The Company strictly complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Air Pollution* and other laws and regulations. Combined with the characteristics of biopharmaceutical R&D and production, it clarifies the management standards and responsibility division for all links of waste gas generation, collection, treatment and discharge.

The Company optimises experimental and manufacturing processes to reduce fugitive emissions of waste gas. In view of the complex composition of experimental waste gas, it is equipped with special collection devices and advanced treatment equipment (such as adsorption, catalytic combustion and other processes) to ensure that the treated waste gas meets national and local emission standards. We inspect and maintain waste gas treatment equipment regularly to ensure its normal operation and efficient waste gas treatment.

The Company integrates the green and low-carbon concept into the whole process of production and operation, strengthens employees' environmental protection awareness through internal training, promotes the implementation of waste gas emission reduction measures, and fulfils the commitment to sustainable development.

In 2025, the compliance rate of all air pollutant emission indicators reached 100%, and waste gas treatment facilities operated in full compliance.

Metrics	Unit	2025
Suzhou Headquarters		
Volatile organic compounds (VOCs)	mg/m^3	**4.991**
Lianyungang Facility		
Waste gas	tonnes	**18,005.4**
Waste gas discharge intensity (by revenue)	tonnes/RMB10,000	**20.13**
Volatile organic compounds (VOCs)	tonnes	**0.07**
Particulate matter (PM)	tonnes	**0.003**
Other waste gas pollutants	tonnes	**0.31**

(III) WASTE MANAGEMENT

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations. Adhering to the principles of "reduction, resource utilisation and harmlessness", it implements standardised full-life-cycle management of various types of waste to prevent environmental risks. It clarifies the classification standards, collection containers, storage requirements and disposal processes for general industrial waste and hazardous waste (such as laboratory waste liquid, waste reagents, contaminated waste, etc.).

Hazardous waste generated by the Company mainly includes waste chemical reagents, reagent packaging boxes, waste selenium drums and ink cartridges, etc. The Company manages hazardous waste in strict accordance with internal systems to prevent environmental pollution caused by hazardous chemical leakage. All hazardous waste is handed over to qualified third parties or suppliers for unified and compliant disposal.

Harmless waste generated by the Company is mainly domestic waste and office consumables waste from daily office links. The Company carries out classified recycling to promote the recycling of waste. Harmless waste with recycling value is handed over to qualified suppliers or recyclers for disposal, and other harmless waste is uniformly handed over to the park property for disposal.

The Company regularly carries out special training on waste management to enhance employees' awareness of classified disposal and risk prevention. It conducts regular inspections on key links such as storage and transfer, timely investigates potential safety and environmental hazards, and ensures the full compliance and controllability of the waste management process. Among them:

Lianyungang Facility: In 2025, the total discharge of hazardous waste of the Company was 26.0371 tonnes, and the per capita discharge of hazardous waste was 0.31 tonnes per person. The total discharge of harmless waste was 0 tonnes, and the per capita discharge of harmless waste was 0 tonnes per person.

Suzhou Headquarters: In 2025, the total discharge of hazardous waste of the Company was 50.892 tonnes, and the per capita discharge of hazardous waste was 0.286 tonnes per person.

Metrics	Unit	2025
Total waste	tonnes	**76.93**
Total hazardous waste	tonnes	**76.93**
Among them: Total recycled hazardous waste (Lianyungang Facility)	tonnes	**4.55**
Incinerated hazardous waste	tonnes	**72.38**

III. USE OF RESOURCES

Resource consumption is closely linked to environmental protection. Vigonvita has always maintained a high focus on the consumption of major resources such as electricity, water resources and office paper. With "efficient utilisation and energy conservation and consumption reduction" as the core, and in light of the characteristics of biopharmaceutical production and R&D, the Company has established a full-process energy management and control system to drive continuous improvement in energy utilisation efficiency. With the continuous expansion of business scale, the Company further recognises the importance of resource management and conservation, and is committed to achieving sustainable development by optimising resource utilisation methods and improving resource use efficiency.

(I) ENERGY MANAGEMENT

The Company strictly complies with the *Energy Conservation Law of the People's Republic of China* and other laws and regulations, formulates relevant documents, clarifies energy management standards and responsibility division for all links including production, R&D and office work, and incorporates energy management and control into daily operation assessment.

The Company follows the standards of China's ESG assessment system and the market practices of industry pioneers, commits to avoiding or reducing the adverse impacts of the Company's operations and services on the environment, and formulates an environmental management plan to continuously improve the Company's energy consumption efficiency and ensure that all the Company's operations comply with government environmental laws, regulations and requirements. The Company's current objective is to establish a comprehensive ESG governance mechanism for the Company, and the historical energy consumption levels during the Track Record Period will serve as the basis for the Company to formulate more relevant energy conservation strategies and set appropriate energy conservation targets in the future.

Metrics	Unit	2025
Purchased electricity	kWh	**2,241,870.11**
Purchased heat[1]	GJ	**8,324**
Natural Gas[2]	m^3	**2,335.51**
Total energy consumption	tce	**562.38**

1 Applicable to the Lianyungang Facility only.

2 Applicable to the Lianyungang Facility only.

(II) Green Office Practices

The Company integrates the green and low-carbon concept into the entire office process, encourages employees to develop office habits of "simplicity, low-carbon, circularity and efficiency", and builds a green office environment. The Company has formulated internal policies and measures, including:

1. Posting energy-saving signs in prominent locations of the Group's facilities to enhance employees' environmental awareness;

2. Encouraging double-sided printing and the use of electronic reports to promote a paperless office environment, with annual paper consumption of 14.04 tonnes;

3. Using energy-saving air conditioners in summer and setting a minimum room temperature for offices to reduce electricity consumption;

4. Encouraging work through telephone conferences or online meetings to reduce unnecessary business travel;

5. Requiring employees to turn off power supplies when off duty.

Through internal training, environmental promotion weeks, energy conservation initiatives and other activities, the Company popularises green office knowledge among employees, and carries out interactive activities such as "energy-saving tips" sharing and low-carbon office check-in to strengthen the environmental awareness of all staff and promote the implementation of green concepts.

The Company sets energy efficiency targets and promotes their implementation by establishing an energy monitoring system in key areas, replacing energy-saving equipment, formulating energy consumption assessment standards, and conducting employee training.

With municipal tap water as its base, equipped with a purification system to ensure water quality, the Company has established an emergency mechanism to deal with water source risks, ensuring no impact on production. It has set water usage targets, implemented differentiated water supply, constructed a water treatment and recycling system, installed intelligent monitoring equipment, and promoted water conservation. The Company selects packaging materials that meet pharmaceutical and environmental standards, prioritizing the use of biodegradable and recyclable materials, continuously optimizing packaging design, increasing the utilization rate of environmentally friendly materials, and establishing a waste packaging recycling mechanism.

Metric name	Unit	2025 total volume
Total water consumption	tonnes	**608,796**
Fresh water consumption	tonnes	**20,796**
Recycled water consumption	tonnes	**588,000**

IV. Climate Change Response

Global climate change has become a major challenge to human survival and sustainable development. The frequent occurrence of extreme weather events, ecological degradation and the emergence of environmental issues such as air, soil and water pollution have not only caused severe damage to the environment, but also brought unprecedented risks to the daily business and operations of enterprises. As an enterprise with a high sense of social responsibility, the Company deeply recognises the potential impacts of environmental and climate change risks on the Company's operations and development. The Company takes the initiative to identify climate change risks closely related to its operations and actively seeks response strategies. Meanwhile, the Company also sees the opportunities brought by climate change, and drives the Company to develop in a more environmentally friendly and efficient direction through technological innovation and sustainable development practices.

Given the nature of the Company's business, climate change will not have any material impact on the Company's business operations. In the event of extreme natural weather, the Company will actively respond to the relevant policies of the local government and formulate contingency plans to ensure the safety of employees. For acute physical risks such as direct asset losses caused by extreme weather events and indirect impacts such as supply chain disruptions, the Company will formulate corresponding emergency and disaster prevention preparedness plans, and believes that the Company has the ability to respond to climate crises. During the reporting period, climate-related issues did not have any material impact on the Company's business operations, strategies or financial performance.

The Company attaches great importance to the potential impacts of climate change on biopharmaceutical R&D, production operations and supply chains, integrates climate change and carbon emission management into the Company's overall ESG strategy, and assigns the ESG Working Group to coordinate and advance climate-related work, reporting the progress of climate change risk response to the management regularly. Combined with industry characteristics, it identifies physical risks such as extreme high temperatures and natural disasters, as well as transition risks such as stricter environmental regulations and low-carbon technology iteration, forming a list of climate change risks and opportunities.

Global climate change has become a core challenge to human sustainable development. Frequent extreme weather, ecological and environmental degradation and various environmental problems not only threaten ecological balance, but also pose potential risks to the R&D continuity, production stability and supply chain resilience of the biopharmaceutical industry. As a socially responsible biopharmaceutical enterprise, the Company deeply recognises the far-reaching impacts of climate change on the entire business chain. It faces up to potential risks and actively seizes low-carbon transition opportunities. The Company fully integrates climate change and carbon emission management into its overall ESG strategy, assigns the ESG Working Group to coordinate and advance climate-related work, and reports the progress of risk response to the management regularly to ensure the deep integration of climate management with the Company's strategy.

Risk type	Specific description	Countermeasures
Physical risks	Focus on the impacts of extreme high temperatures, rainstorms, natural disasters and other events on the stability of production facilities and laboratory equipment, as well as the potential shocks to supply chain links such as raw material supply and logistics and transportation.	In terms of emergency support, establish and improve emergency response plans for extreme weather, comply with the policy requirements of local governments, give priority to ensuring employee safety, and formulate asset protection and supply chain disruption emergency plans to reduce losses caused by acute risks.
Transition risks	Focus on changes in compliance costs and pressure for technological upgrading brought by stricter environmental protection regulations, low-carbon technology iteration, improved carbon pricing mechanisms and other factors.	In terms of long-term response, take the initiative to break through by means of technological innovation and sustainable practices, such as optimising production processes to reduce energy consumption, promoting low-carbon and environmentally friendly R&D and production models, and turning climate risk response into an opportunity to improve operational efficiency.

In past practices, climate-related issues did not have any material impact on the Company's business operations, strategy implementation or financial performance, which verified the effectiveness of the existing response mechanism. Going forward, the Company will continue to deepen climate risk management, dynamically update the risk and opportunity list, and prevent risks while exploring the value of low-carbon transformation through technological innovation, green operation and other measures to support the sustainable development of the industry.

The main source of the Company's greenhouse gas emissions is electricity consumption. To this end, we actively optimise the electricity consumption structure, increase the proportion of renewable energy use, and reduce the consumption of fossil fuels, so as to lower greenhouse gas emissions. Meanwhile, the Company is also exploring advanced technologies such as carbon capture and storage to further reduce greenhouse gas emissions.

The Company has set clear phased emission reduction targets, and steadily promotes the implementation of emission reduction tasks through quantitative management, technological innovation and whole-chain collaboration. At present, the Company has implemented full-chain emission reduction measures: at the production end, we optimise process routes, reduce high-energy-consuming processes, promote green catalysts and environmentally friendly solvents, and lower carbon emissions in the production process; at the R&D end, we optimise experimental design, reduce reagent consumption and waste generation, and lower the environmental footprint of R&D links; at the supply chain end, we sign low-carbon cooperation agreements with core suppliers to promote emission reduction in links such as raw material procurement and logistics and transportation.

The Company has established a carbon emission accounting system, regularly collects carbon emission data of all links including production, office and supply chain, and conducts quarterly reviews and annual assessments against emission reduction targets. We have incorporated the completion of emission reduction indicators into the performance assessment of relevant departments to ensure the effective implementation of various measures.

The Company will dynamically adjust its emission reduction strategies according to the annual emission reduction effectiveness and industry technology development trends, increase investment in low-carbon technology R&D, gradually build a low-carbon operation model, and support the green transformation of the industry. The Lianyungang Facility completed energy-saving renovation projects in 2025. By adding a main valve leading to the wastewater treatment station on the main steam pipeline, pipeline network loss was effectively reduced.

Metrics	Unit	2025 data
Total GHG Emissions	tCO_2e	**3,647.17**
Direct GHG emissions (Scope 1)	tCO_2e	**1,542**
Scope 1 emission reduction volume	tCO_2e	**583**
Indirect GHG emissions (Scope 2)	tCO_2e	**2,105.17**

Scope 3 emissions refer to indirect GHG emissions generated from sources not directly owned or controlled by the reporting organisation in the course of its operations. They cover all indirect GHG emissions arising throughout the corporate value chain, including upstream suppliers, downstream users, and all intermediate links in between. In consideration of the data availability and cost efficiency relating to GHG emissions (Scope 3), the Company does not disclose GHG emissions (Scope 3) at present. It will keep track of relevant policies and sector practices on an ongoing basis, and assess the feasibility of such disclosure once conditions become viable.

SECTION V SOCIAL

I. TECHNOLOGICAL INNOVATION

Vigonvita adopts clinical needs as its guiding principle, consolidates a compliant innovation management system, and delivers a diversified pipeline of achievements through four proprietary technology platforms. We empower R&D through a high-calibre talent team, supported by a globally extensive patent portfolio, to solidify the foundation of innovation in an all-round way and drive sustainable development in the pharmaceutical and healthcare sector.

(I) INNOVATION MANAGEMENT SYSTEM

The Company conducts new drug research and development in a standardised manner in accordance with laws and regulations including the *Drug Administration Law of the People's Republic of China*, *Provisions for Drug Registration*, *Guidelines for the Registration Acceptance and Review of Biological Products*, *Technical Guidelines for Pharmaceutical Research and Changes of Biological Products during Clinical Trials*, *Good Laboratory Practice for Non-Clinical Laboratory Studies of Drugs* (GLP), *Good Clinical Practice for Clinical Trials of Drugs* (GCP) and *Provisions for Administration of Drug Research and Registration Application (for Trial Implementation)*, as well as the guidelines of the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH).

As a biopharmaceutical enterprise with end-to-end capabilities, we have established an innovation management system covering the entire drug development process to efficiently advance the translation of drug candidates from laboratory to clinic. Our in-house R&D capabilities encompass all key functionalities throughout the entire drug development process, including hit discovery, lead optimisation, druggability evaluation, PCC identification, pre-clinical research, CMC development, clinical studies and regulatory affairs, forming a closed-loop management system. Leveraging our R&D centres in Suzhou and Shanghai with an aggregate gross floor area of over 8,000 square metres, together with advanced R&D infrastructure and proprietary technology platforms, we accurately identify and address potential clinical and manufacturing issues early in the development process so we can direct our efforts towards compounds with the best potential to become clinically active, cost-effective and commercially viable drugs. Meanwhile, we have established a GMP-standard commercial-scale in-house manufacturing facility located in Lianyungang to ensure controllable quality and cost as well as a stable supply chain. Moreover, we foster an open and collaborative mindset and proactively pursue licensing and collaboration arrangements with leading industry players to maximise the clinical and commercial value of our assets.

(II) INNOVATION ACHIEVEMENTS

The Company focuses on unmet clinical needs and has built a differentiated and multi-layered innovation achievement matrix, forming a product portfolio driven by the "dual engines of innovative drugs and generic drugs". As of the end of 2025, the Company has established a differentiated pipeline of nine innovative assets, including two in commercial or stage, four in clinical stage and three in pre-clinical stage. We have simultaneously deployed a generic portfolio comprising three drugs in commercial or near-commercial stage. These assets not only enable the Company to seize first-mover advantages in advancing our brand name and market position in relevant therapeutic areas, but also provide stable and visible recurring revenue streams and cash flows, thereby enhancing our overall resilience of the business, and effectively managing the timing and development risk of our investment in R&D.

We have established robust in-house R&D capabilities that encompass all key functionalities throughout the entire drug development process, including hit discovery, lead optimisation, druggability evaluation, PCC identification, pre-clinical research, CMC development, clinical studies and regulatory affairs. As a validation of our robust R&D capabilities, we have established a proven track record in successfully advancing scientific discoveries into clinical applications. Our in-house R&D capabilities are bolstered by advanced R&D infrastructure and our proprietary technology platforms. These resources serve as the foundation for the successful development and commercialisation of our existing drug candidates, while empowering continuous pipeline expansion.

Our proprietary technology platforms focus on "rapid discovery of innovative therapeutic compounds", and "investigation and optimisation of the discovered compounds". We believe our technology platforms enable us to identify and address potential clinical and manufacturing issues early in the development process so we can direct our efforts towards compounds with the best potential to become clinically active, cost-effective and commercially viable drugs. Highlights of our proprietary technology platforms include:

- Innovative drug discovery platform for neuropsychiatric disorders: With multi-target strategy-based drug discovery, diversified new drugs *in vivo* evaluation system and enhanced compound blood-brain barrier (BBB) permeability as core technologies, we have determined the optimal target combination in response to the complex pathogenesis of neuropsychiatric disorders, successfully discovered the multi-target compound VV119, and completed the efficacy and side effect evaluation of LV232 and VV119 through the in vivo evaluation system, improving the success rate of drug development;

- Innovative drug discovery platform for reproductive health diseases: Its core technologies include pharmacokinetics-guided "structural fine-tuning" technology that aims to achieve an optimal balance of compound activity and pharmacokinetic properties and sexual dysfunction animal model construction technology with a variety of independently developed animal models to systematically evaluate the pharmacological efficacy of candidate compounds;

- Innovative drug discovery platform for viral infection: It integrates two key technologies: nucleoside analog design and prodrug design. By synthesising structurally diverse nucleoside analogs and conducting broad-spectrum antiviral activity studies, we enhance antiviral activity, reduce toxicity and optimise pharmacokinetic properties, supporting the response to known viral infections and potential public health emergencies;

- "Control from root design" oriented green synthesis process R&D platform: With regulatory requirements, chemical process factors and environmental impact as core considerations, we optimise the synthetic route design of active pharmaceutical ingredients (APIs). For example, in the synthesis of VV116 API, the newly developed route reduced the production cycle by half, significantly reduces the generation of nitrogen-containing pollutants, lowers production costs substantially, and successfully achieves the one-time production of 500 kilograms of APIs in a single batch.

(III) Talent development

The Company attaches great importance to the core driving role of talents in innovation and has built two core teams with outstanding professional capabilities and extensive industry experience. During the reporting period, the in-house R&D team comprised 145 members with an average of more than 10 years of industry experience, over 60% of whom held master's degrees or above. With profound industrial, academic and research expertise, the team serves as the core force driving pipeline development. The dedicated business development and commercialisation team had a total of 50 members with an average of more than 10 years of industry experience, providing strong support for the commercialisation of drug candidates and forming a talent synergy mechanism between "R&D and commercialisation".

(IV) Intellectual property protection

The Company's proprietary technologies and pipeline assets are fully protected by a well-structured global patent portfolio across around 30 jurisdictions, forming a multi-dimensional and extensive IP protection network.

In detail, the core patents are distributed as follows: 39 issued patents and 51 patent applications in China; seven issued patents and seven patent applications in the United States; 19 issued patents and 13 patent applications in Europe and Japan in aggregate; four issued patents and 10 patent applications in Uzbekistan and other "Belt and Road Initiative" countries; 13 issued patents and seven patent applications in other jurisdictions. Meanwhile, seven pending patent applications have been filed via the PCT route to further expand the global protection scope. Among these, the IP protection for core products is particularly robust, with 23 issued patents and five patent applications, providing solid support for the market competitiveness of the core business.

(V) Tech ethics

The Company consistently integrates tech ethics into the entire cycle of new drug R&D, takes high-standard compliance as the core principle, strictly complies with *Good Clinical Practice* (GCP), and conducts clinical trials in line with international prevailing standards including ICH E6 *Guideline for Good Clinical Practice*. All clinical trial protocols of the Company are independently reviewed by the ethics committees of partner clinical trial centres to ensure trial design meets ethical requirements and the protection of subjects' rights and interests. In the implementation of trials, we have established a standardised and regulated R&D collaboration system with professional partners including partner clinical trial centres (hospitals), sample testing institutions and contract research organisations (CROs), to safeguard the scientificity and compliance of clinical trials.

Patient privacy protection

We have formulated special procedures for the confidentiality of patients' personal data, requiring internal personnel to complete special training on the collection and protection of personal information. We also explicitly require partner CROs to strictly protect the data in their possession. In accordance with GCP and relevant regulations, only authorised personnel may access clinical trial data. Both internal employees and external partners are required to abide by confidentiality provisions, and the use of data is strictly limited to the intended purposes with patients' consent. The transmission of clinical data strictly complies with data privacy protection laws.

During the reporting period, the Company did not have any incidents related to infringement of customer or patient privacy, data leakage, or legal proceedings caused by data privacy leaks.

II. Product responsibility

The Company recognises that a sound quality control system is the core pillar ensuring product quality, safeguarding brand reputation and achieving business success. We have established an ISO9001-certified quality management system. Senior management is deeply involved in the formulation of internal quality control policies and full-process supervision, forming a closed-loop control mechanism covering the entire life cycle from "raw material procurement, production process to finished product delivery". The quality control team operates independently from the manufacturing team. Most members hold educational backgrounds in pharmacy or related disciplines, and continuously update their knowledge of regulatory requirements through regular special training. Equipped with professional inspection and testing equipment, the team fully ensures that raw materials, work-in-progress and finished products meet quality standards.

The Company has established a "rapid response – professional verification – closed-loop handling" mechanism: complaints are responded to within 24 hours. The quality and customer service teams will conduct joint verification to trace the source of the quality issue and monitor the progress in real time. Based on the results, measures such as replacement, refund, and technical guidance will be taken. A follow-up visit will be conducted within 7 days to confirm satisfaction, with a ledger being established for continuous improvement.

The Company has established a standardized recycling process: a traceability system is established through sales terminals and medical institutions, and recycling will be initiated immediately upon the discovery of risks, with clear scope, level, and time limits; relevant parties are notified through targeted notifications and official announcements, with dedicated personnel being responsible for recycling, transportation, and sealing; recycled products will be classified and disposed of after testing, with the entire process recorded, and the process will be optimized afterward to prevent risks.

(I) Production quality control

We adopt a dual assurance mechanism of "automated screening + manual sampling inspection" in the production process: Advanced automated production equipment can screen out semi-finished products failing to meet quality standards in real time. Meanwhile, the quality control team conducts sampling tests on semi-finished products at key production nodes, focusing on core indicators such as physical appearance, ingredient composition and drug content to ensure compliance with quality standards. In addition, the quality assurance team carries out regular on-site inspections to supervise production operators in strictly abiding by standard operating procedures and equipment operation rules, ensuring the entire production process consistently meets GMP requirements.

(II) Finished product quality control

Each batch of finished products undergoes full-item sampling inspection. Before delivery, the quality assurance team conducts a comprehensive review of product quality-related documents, including batch records, laboratory testing data, production process records and all other key materials affecting quality, and verifies whether products comply with GMP and other applicable regulations. The quality assurance team will issue a final release decision to confirm the product's eligibility for market sales.

(III) Product recall

The Company will bear all costs related to the return and replacement of defective products and provide full assurance of its qualifications and product quality. During the reporting period, no material complaints or product returns arising from quality issues occurred.

III. SUPPLY CHAIN MANAGEMENT

The Company procures production raw materials only from qualified suppliers that have passed strict screening. A multi-verification mechanism is implemented for raw materials warehousing: Warehouse personnel first conduct preliminary verification by inspecting the integrity of appearance, checking label information and requesting certificates of analysis from suppliers. Subsequent special testing is required to confirm compliance with predetermined quality standards. If raw materials fail to meet acceptance requirements, warehouse personnel must immediately report to the quality assurance team, which will formulate targeted solutions based on actual conditions to form a closed loop for abnormality handling.

The Company has formulated a special policy for supply chain environmental and social risk management, requiring suppliers to strictly comply with environmental protection, labor employment and safety production regulations, and focus on key stages such as raw material procurement, production and processing, logistics and warehousing to mainly control risks such as pollution emissions, child labor, and forced labor, thereby jointly building a green and compliant supply chain system.

When selecting suppliers, the Company uses environmental certification and compliance qualifications as the core entry standards, establishing a full-cycle monitoring mechanism: qualifications are strictly reviewed before entry, annual compliance assessments are conducted during cooperation, and dynamic monitoring is carried out through on-site inspections and document verification. Violated suppliers are subject to rectification within a time limit or termination of cooperation.

The Company's supply chain risk identification follows a full-chain coverage principle, identifying risk points such as pollution, energy consumption, and occupational health at each stage, developing standardized assessment lists, and requiring suppliers to submit regular reports. Monitoring is conducted through third-party audits, cross-checking of data, and on-site spot checks to establish a risk ledger and prioritize the monitoring and rectification of high-risk suppliers.

The Company's procurement standards clearly define environmental requirements, prioritizing the purchase of biodegradable materials, low-pollution raw materials, and energy-saving services. Environmental indicators are incorporated into the annual supplier performance evaluation, with preferential treatment given to high-performing suppliers. The Company continuously promotes improved environmental performance from its suppliers by verifying certifications and following up test reports.

In 2025, the Company had a total of 294 suppliers, all located in the Chinese mainland.

Number of suppliers in 2025

Metrics	Unit	2025
Number of suppliers by geographical region (breakdown by geographical region)	Entities	294
Number of suppliers in Chinese mainland	Entities	294
Number of suppliers in Hong Kong, Macao, Taiwan (China) and overseas	Entities	0

IV. RESPONSIBLE MARKETING

The Company adheres to responsible operations and rigorous responsible marketing practices. We are committed to implementing responsible business strategies, fully protecting patients' rights and interests, and promoting the sustainable development of the enterprise by standardising marketing and communication content, ensuring the accuracy of pharmaceutical information and labels, and efficiently handling pharmaceutical complaints.

(I) STANDARDISED MARKETING MANAGEMENT

The Company strictly complies with laws and regulations including the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Interim Measures for Examination and Administration of Advertisements of Drugs, Medical Devices, Health Food and Formula Foods for Special Medical Purposes, the Measures for the Administration of Medical Advertisements, the Measures for the Examination of Pharmaceutical Advertisements, and the Notice on Regulating the Use of Pharmaceutical Names in Pharmaceutical Advertisements. We follow various standardised processes formulated on such basis to ensure the authenticity, accuracy and reliability of the Company's marketing and communication content. Sufficient background information is provided for all relevant content to assist medical professionals in scientifically judging the clinical applicability of the Company's pharmaceuticals, fully understand possible adverse reactions, and ensure safe medication and rational diagnosis and treatment.

The Company has established a comprehensive standardised marketing management system, forming a full-process closed loop covering team building, activity implementation and channel management and control. We strengthen employees' product knowledge and professional skills through regular internal training, and require all members to strictly abide by the code of conduct for interactions with medical professionals and product promotion. Academic promotion serves as the core of marketing activities. We carry out standardised product promotion by organising and participating in academic conferences, seminars and forums, as well as through regular visits to medical professionals in target medical institutions by the commercialisation team. In terms of distributor management, the Company selects partners based on criteria such as distribution capacity, market perception, warehouse management and financial stability, and requires them to hold all necessary licences and permits. We designate sales regions through contractual agreements to avoid the risk of intra-brand competition, establish an inventory database to monitor distributors' inventory levels in real time, and automatically trigger alerts when inventory exceeds the threshold. Meanwhile, we regularly review sales data, assess market demand, and dynamically adjust sales strategies and distributor coverage to effectively prevent the risk of inventory accumulation.

(II) Accuracy of pharmaceutical information

The Company always adheres to the core principle of accurate transmission of pharmaceutical information throughout the entire marketing and promotion process. With academic marketing as the main scenario, we accurately convey product indications, efficacy, safety and the latest clinical research results to medical professionals through diverse forms such as academic conferences, seminars, forums and regular visits. All information is supported by authentic research data, ensuring objective and compliant presentation without any false or misleading content, and providing reliable product references for medical professionals.

(III) Service quality assurance

The Company has built a full-chain service quality assurance system centred on customer needs. In terms of return and exchange, distribution agreements clearly stipulate that return services are only provided for defective products to effectively protect the legitimate rights and interests of customers. For inventory and delivery assurance, we establish a special monitoring mechanism by collecting distributors' sales and inventory data. Combined with the automatic alert function and regular sales data review, we accurately control market demand, dynamically optimise sales strategies and distributor coverage, and effectively avoid abnormal inventory issues. In terms of feedback response, we timely collect product usage feedback and market demand suggestions through academic marketing activities and regular interactions with medical professionals, providing strong support for product iteration and upgrade and service optimisation, and continuously improving customer experience.

V. Employees

Employees are the Company's most valuable assets and the core "engine" driving its continuous innovation and sustainable development. The Company regards employees as important partners on its development path, always prioritises employee care and development, and strives to create a comfortable working environment for them. The Company provides employees with a comprehensive welfare system, enabling them to work in a relaxed and pleasant atmosphere. Meanwhile, we actively build a broad career development platform for employees. Through internal training, promotion opportunities and other means, we help them continuously enhance their capabilities and professionalism, achieving a win-win situation between personal value and the Company's development.

(I) Employment

The Company regards the attraction of high-quality talents as the core support for business development and fully recognises the importance of attracting, hiring and retaining outstanding employees to its success. In terms of recruitment channels, we mainly expand the scope of talent sourcing through professional recruitment websites and formal recruitment agencies. During the screening process, we focus on core factors such as candidates' work experience, educational background and professional capabilities to ensure that the recruited talents are highly compatible with job requirements. To strictly comply with the PRC Labour Law, the Company signs a standard individual employment agreement with each employee, clarifying core terms including term of employment, salary, bonuses, employee benefits and grounds for termination. Meanwhile, we sign confidentiality and non-competition agreements to effectively protect the Company's trade secrets and core interests on the premise of safeguarding employees' legitimate rights and interests, establishing a standardised and orderly employment relationship.

The Company strictly adheres to the principles of openness, fairness and impartiality during the recruitment process, ensuring that all eligible candidates participate in competition equally, avoiding any form of discrimination and prejudice, and providing equal treatment regardless of candidates' ethnicity, race, age, gender, marital status, religious belief and other attributes. By establishing a diversified mechanism for talent introduction and development, the Company provides equal development opportunities for employees, effectively attracts and retains outstanding talents of all types, and continuously drives the Company's innovative development.

During the reporting period, the Company had a total of 315 employees, of whom 311 were based in China and 4 in Uzbekistan.

2025 number of employees and proportion

Employee category		Number of employees	Proportion of employees
Overall profile		315	100%
By gender	Male	174	55.24%
	Female	141	44.76%
By age	Employees aged 30 (inclusive) or below	75	23.81%
	Employees aged 30 to 50 (inclusive)	234	74.29%
	Employees aged over 50	6	1.90%
By geographical region	Employees in Chinese mainland	311	98.73%
	Employees in Hong Kong, Macao, Taiwan (China) and other countries/regions	4	1.27%
By employment type	Full-time	314	99.68%
	Part-time	1	0.32%

2025 employee turnover rate

Employee category		Employee turnover rate
Overall profile		10.79%
By Gender	Male	6.67%
	Female	4.13%
By Age	Employees aged 30 (inclusive) or below	3.49%
	Employees aged 30 to 50 (inclusive)	7.30%
	Employees aged over 50	0.00%
By geographical region	Employees in Chinese mainland	10.79%
	Employees in Hong Kong, Macao, Taiwan (China) and other countries/regions	0.00%

(II) LABOUR STANDARDS

The Company strictly complies with all legal requirements and takes compliance as the bottom line to fully protect all legitimate rights and interests of employees. In terms of remuneration and benefits, we provide competitive remuneration packages based on employees' qualifications and work experience. In strict accordance with PRC laws and regulations, we enrol all employees in social insurance (including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance) and the housing fund, and pay the relevant contributions in full at the specified proportion. For institutional protection, the Company has formulated policies relating to remuneration and dismissal, clarifying requirements for equal opportunities and anti-discrimination. Employees who encounter unfair discrimination may seek assistance from department supervisors, the Human Resources Department or the management team. The Company will immediately follow up and investigate, and report to law enforcement agencies if necessary. The Company has established a Labour Union to act as a bridge between labour and management, and maintains sound working relations with employees.

The Company strictly complies with the *Labor Law*, the *Law on the Protection of Minors*, and other regulations, and has formulated specific policies to prohibit the employment of child labor, forced labor, and disguised forced overtime, adhering to the bottom line of legal employment. The Company conducts multiple verifications of job seekers' identities during the recruitment process, confirming that they are at least 18 years old, clearly defining prohibited clauses and training the recruitment team, and regularly conducting self-inspections and optimizations. If any violations are discovered, employment will be immediately terminated, the personnel involved will be resettled, and an internal investigation and accountability will be conducted. In addition, the Company will improve the system and report it to regulatory authorities, and organize employees to accept cautionary education, so as to prevent similar problems from recurring.

During the reporting period, no material labour disputes, strikes or relevant compliance penalties occurred to the Company.

(III) Development and Training

The Company adheres to the philosophy that "employee growth resonates with corporate development" and has established a comprehensive talent development and training system.

For new employees, the Company regularly conducts systematic onboarding training to help them quickly familiarise themselves with the working environment, master job skills and integrate into the team smoothly. For in-service employees, we launch diversified professional training and development programmes from time to time, covering business skills, professional literacy and other dimensions, building a clear growth path for talents.

The Company fosters a performance-oriented working environment and strives to build a corporate culture that encourages employee retention and active participation. Through clear development paths and positive incentives, we stimulate employees' initiative and creativity, help them achieve personal career growth, and inject inexhaustible impetus into the Company's sustainable development.

2025 employee training coverage:

Metrics	Unit	2025
Employee training coverage	%	20
Training coverage rate of male employees	%	43
Training coverage rate of female employees	%	57
Training coverage rate of senior management employees	%	13
Training coverage rate of middle management employees	%	26
Training coverage rate of grass-roots employees	%	60

2025 employee training hours

Metrics	Unit	2025
Average training hours per employee	hours	2
Average training hours per male employee	hours	2
Average training hours per female employee	hours	2
Average training hours per senior management employee	hours	2
Average training hours per middle management employee	hours	2
Average training hours per grass-roots employee	hours	2

(IV) Health and Safety

The Company always adheres to the safety concept of "people-oriented" and creates a healthy and safe working environment for employees. We formulate and strictly implement a series of rules, standard operating procedures and protective measures, building a comprehensive safety line from hardware support to process standardisation.

The Company regularly organises safety training and emergency drills covering various safety risk scenarios to effectively enhance employees' safety awareness and emergency response capabilities. During the reporting period, relying on its sound health and safety management system and solid implementation, the Company did not face any material claims, lawsuits, penalties or administrative proceedings for violating laws and regulations on occupational health and safety, nor did it experience any labour disputes or industrial actions having a material impact on its business, ensuring the stable and orderly production and operation.

Adhering to the principle of "prevention first, combined with control", taking into account the use of hazardous chemicals and the biosafety characteristics in the industry, the Company has established occupational health and safety policies covering the entire process of R&D and production, with focuses on risk points such as chemical exposure and cleanroom operations to protect the physical and mental health of employees and strive for zero work-related injuries.

Strictly complying with the *Occupational Disease Prevention and Control Law*, the *Drug Administration Law*, and other regulations, meeting GMP requirements, the Company has established a regulatory tracking and compliance audit mechanism to improve its protective and insurance systems. No significant occupational health and safety violations or penalties occurred during the reporting period.

Metrics	Unit	2025
Number of work-related injuries or fatalities (past three years)	Persons	1
Rate of employee work-related fatalities	%	0
Lost days due to work injury	Days	13

(V) Employee Care

The Company builds a diversified care system around employee needs and strives to create a harmonious and inclusive working atmosphere. Relying on the Labour Union as a communication bridge, we establish effective channels between employees and the management, listen to employees' demands in a timely manner and protect their legitimate rights and interests. In terms of corporate culture development, we focus on improving employee retention and sense of participation, and enhance employees' sense of belonging and identity through building a positive working environment and providing diversified development opportunities. Overall, through institutional guarantee and culture building at the organisational level, the Company provides employees with all-round care, further strengthens team synergy, and achieves common development of the enterprise and employees.

VI. Community Investment

The Company always adheres to the core philosophy of "Patients First, Innovation Driven". While focusing on innovative R&D to meet patients' unmet clinical needs, we actively fulfil corporate social responsibility, build a stable and efficient community communication bridge, and support the harmonious development of communities.

The Company deeply recognises that enterprises and society are interdependent and prosper together. We always integrate social responsibility into our core development and participate deeply in social practices. Through close interaction with communities and continuous improvement of communication mechanisms, we promote the coordinated progress of communities and achieve win-win collaboration between the enterprise and society.

The Company provides health services in communities, popularizes medical and health knowledge; helps improve primary healthcare capabilities, and assists in the development of medical and health services in underdeveloped areas. It also participates in projects for public well-being such as charitable donations, educational assistance, and poverty alleviation, fulfilling its social responsibility. The Company coordinates its professional medical teams, R&D personnel, and other human resources to provide in-kind support such as medical equipment and science popularization materials, ensuring that community investment projects are implemented effectively.

SECTION VI GOVERNANCE

Vigonvita consolidates its governance foundation, strengthens compliance requirements through a sound internal control system, implements risk management responsibilities at all levels, and establishes a full-chain "prevention-monitoring-discipline" control system for integrity construction. We fully safeguard the Company's compliant and steady operations and consolidate the foundation for sustainable development.

I. CORPORATE GOVERNANCE

(I) INTERNAL CONTROL

The Board of the Company is responsible for formulating the internal control system and reviewing its operational effectiveness on a regular basis. The Company's internal control policies have established a complete framework that enables the continuous identification, assessment and monitoring of major risks relevant to strategic objectives. The Board firmly believes that compliance creates long-term value and is committed to fostering a compliance culture among all employees. To embed the compliance philosophy into daily work processes and standardise individual behaviours within the organisation, the Company has established a regular internal compliance inspection mechanism, implemented a strict accountability system, and launched regular compliance training to ensure that compliance requirements run through the entire operation process.

Core internal control policies, measures and procedures implemented or planned to be implemented by the Company:

- At the business operation level, the Company has formulated special control measures and processes for all key links. Professional inspectors supervise the implementation of internal control policies throughout the process, promptly report identified control defects to the management and Audit Committee, and track the rectification progress until closed-loop improvement.

- In terms of compliance management, the director responsible for corporate governance, with the assistance of legal advisors, regularly reviews compliance with various applicable laws and regulations. Meanwhile, Somerley Capital Holdings Ltd. has been engaged as the compliance advisor to provide timely advice and guidance to directors and the senior management team, covering core requirements such as legal compliance, performance of directors' duties and internal control compliance.

The Company has formally established an Audit Committee. Its core duties include providing professional advice to the Board on the appointment and removal of external auditors, reviewing financial statements and issuing opinions on the compliance of financial reports, and fully supervising the effective operation of the Company's internal control procedures. The Company will launch a regular and continuous training mechanism to update directors, senior management and relevant employees on the latest laws, regulations and compliance requirements on a regular basis, facilitating the proactive identification of potential non-compliance risks and issues, and strengthening the compliance awareness of all staff.

Metrics	Unit	2025
Number of Supervisory Committee's meetings convened	times	1
Average term of office of Supervisory Committee's members	years	3
Number of Board directors	persons	6
Number of Board meetings convened	Times	8
Average term of office of Board members	years	3
Number of compliance and law-abiding training sessions	Times	1
Duration of compliance and law-abiding training	hours	2
Number of participants in compliance and law-abiding training	participants	15
Number of general meetings convened	Times	2
Attendance rate of Directors at general meetings	%	100%
Number of periodic reports prepared and disclosed	pieces	0
Interim announcements issued	pieces	6

Note 1: As of the end of this reporting period, the Company has held 0 general meeting since its Listing. The two general meetings listed in the table were held before the Listing of the Company.

(II) Risk management

The Company faces various risks in business operations and is fully aware that risk management is critical to corporate success. To this end, we are committed to establishing and continuously optimising a risk management and internal control system that meets the Company's development needs, with clear written terms of reference. To ensure the sustained implementation of risk management policies and corporate governance measures, the Company has adopted or plans to continuously advance the following core risk management and control measures.

As the supreme decision-making body for risk management, the Board shall perform eight core duties:

1. Formulate the overall risk management policies and framework of the Company;
2. Review and approve major risk management matters and key decisions;
3. Promulgate specific risk management implementation measures and performance standards;
4. Provide guidance on risk management methods and tools for relevant departments;
5. Regularly review major risk reports submitted by various departments and provide feedback on optimisation suggestions;
6. Supervise the overall implementation progress and effectiveness of risk management measures by relevant departments;
7. Ensure that the Company has an appropriate risk management organisational structure, process system and professional capabilities;
8. Regularly report to the Audit Committee on the Company's major risk status and control progress.

The Audit Committee will focus on overall risk supervision and management, with core duties including:

1. Review and approve risk management policies to ensure alignment with the Company's strategic objectives;
2. Define and approve the Company's corporate risk appetite threshold;
3. Continuously monitor major risks related to business operations and the management's risk disposal;
4. Regularly review the Company's overall risk status in light of the risk appetite;
5. Supervise the comprehensive and appropriate application of the risk management framework within the Company.

Relevant departments including the Finance Department, Legal Department and Human Resources Department are the executing bodies of risk management, and shall carry out daily work in accordance with the following requirements:

1. Systematically collect all types of risk information related to the department's operations and functions;

2. Conduct comprehensive risk assessment, including identifying, prioritising, measuring and classifying all major risks that may affect departmental objectives;

3. Conduct continuous and dynamic monitoring of core risks related to their own operations or functions;

4. Formulate and implement appropriate risk response measures in a timely manner for high-priority risks;

5. Establish and maintain a regular mechanism to ensure the effective implementation of the risk management framework within the department.

II. Business Ethics

The Company upholds the highest standards of business ethics at all times and strictly complies with national laws and regulations, including the *Company Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*. We have issued a dedicated anti-bribery and anti-fraud policy, with core measures including compliance training for all employees (especially sales and marketing personnel), an anonymous reporting mechanism for non-compliant conduct, and strict penalties for verified bribery and fraud cases.

The Company has zero tolerance for any form of corruption, including bribery, extortion, fraud and money laundering, and promotes the philosophy of "daring not to corrupt, being unable to corrupt and having no desire to corrupt". In addition to our own employees, we also require suppliers to abide by our anti-corruption requirements. We provide multiple anti-corruption reporting channels, including a supervision hotline, reporting email, reporting address and service supervision hotline, to encourage stakeholders to report any internal or external corrupt practices such as bribery, embezzlement of public resources for personal gain and money laundering. We undertake that all whistle-blowers will have their personal data protected by the Company, and that they will not suffer any unfair treatment as a result of their reporting. In respect of reported corrupt practices, the Company will appoint dedicated personnel to conduct investigations. Once verified, penalties will be imposed in accordance with established policies, and serious cases will be transferred to judicial authorities.

The Company has established a special anti-corruption system, clearly defining integrity requirements and opening channels such as anonymous reporting hotlines and email addresses, with standardized handling procedures. Enforcement is implemented through regular compliance audits and special inspections, with full record being kept to ensure a closed-loop mechanism. The Company provides targeted anti-corruption trainings for directors and employees, covering laws and regulations, industry compliance requirements, and case warnings. The trainings are conducted through online courses and offline lectures to strengthen the integrity awareness and risk prevention capabilities of all employees. During the reporting period, the Company did not experience any corruption-related lawsuits, with its compliance management system operating effectively.

SECTION VII OUTLOOK

Vigonvita is poised to deeply integrate ESG principles into the long-term development strategy of its innovative biopharmaceutical business. In environmental terms, the Company will strive to build a green and low-carbon R&D and production system. Through process optimisation and technological innovation, we will reduce energy consumption and waste discharge, and actively respond to the national “Carbon Peaking and Carbon Neutrality” (Dual Carbon) goals. In respect of social responsibility, the core focus will be on putting patients at the centre, improving the accessibility and affordability of innovative medicines, safeguarding employee safety and development, and contributing to public health through knowledge sharing. In terms of corporate governance, establishing a professional ESG governance structure and enhancing transparency and compliance will be key to addressing industry regulation and earning long-term trust. Through systematic ESG practices, Vigonvita will not only strengthen risk management and brand reputation, but also achieve the mutual benefit of commercial and social value while pursuing scientific breakthroughs, injecting strong vitality into sustainable development.

APPENDIX: INDEX TO THE *ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE*

Indicator Content		Relevant Section
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report (materiality, quantitative, and consistency).	Section I
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.	Section I
"Comply or explain" Provisions		
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Section IV
A1.1	The types of emissions and respective emissions data.	Section IV
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Section IV
A1.4	Total non-hazardous waste produced and, where appropriate, intensity.	Section IV
A1.5	Description of emission target(s) set and steps taken to achieve them.	Section IV
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Section IV

Indicator Content		Relevant Section
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Section IV
A2.1	Direct and/or indirect energy consumption by type in total and intensity	Section IV
A2.2	Water consumption in total and intensity.	Section IV
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Section IV
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.	Section IV
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Section IV
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Section IV
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Section IV
B. Social		
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.	Section V
B1.1	Total workforce by gender, employment type, age group and geographical region.	Section V
B1.2	Employee turnover rate by gender, age group and geographical region.	Section V

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

Indicator Content		Relevant Section
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Section V
B5.1	Number of suppliers by geographical region.	Section V
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Section V
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Section V
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Section V
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Section V
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Section V
B6.2	Number of products and service related complaints received and how they are dealt with.	Section V
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Section V
B6.4	Description of quality assurance process and recall procedures.	Section V
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Section V

Indicator Content		Relevant Section
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Section VI
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.	Section VI
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Section VI
B7.3	Description of anti-corruption training provided to directors and staff.	Section VI
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.	Section VI
B8.1	Focus areas of contribution.	Section VI
B8.2	Resources contributed to the focus area.	Section VI

Indicator Content		Relevant Section
D: Climate-related Disclosures		
16 (1)	Subject to paragraph 17, an issuer must report on the climate-related disclosures set out in this part in the ESG report on a "comply or explain" basis. An issuer who has yet to disclose information required under any of the provisions must provide considered reasons for non-disclosure.	Section IV
16 (2)	Where an issuer has yet to disclose information required under any of the provisions set out in this part, regardless of whether such issuer has (a) opted to "explain" why it has not made a particular disclosure under the "comply or explain" regime or (b) chosen to apply an applicable relief available pursuant to the note to the relevant provision (whether it is required to report on a mandatory or "comply or explain" basis), such issuer is encouraged to provide information on the work plan, progress and timetable for making the required disclosure.	Section IV
17 (1)	An issuer must disclose its Scope 1 greenhouse gas emissions and Scope 2 greenhouse gas emissions pursuant to paragraphs 28(a), 28(b) and 29 on a mandatory basis.	Section IV
17 (2)	An issuer that is a constituent of the Hang Seng Composite Large Cap Index (HSCLI) must report on the provisions set out in this part on a mandatory basis in respect of financial years commencing on or after 1 January 2026. Note: This paragraph 17(2) applies to an issuer that is a HSCLI constituent throughout the year immediately prior to the reporting year. Once an issuer becomes subject to mandatory disclosure of Part D of this Code, it must continue to be subject to mandatory disclosure of Part D of this Code even if it subsequently ceases to be a HSCLI constituent.	Section IV
17 (3)	An issuer is encouraged, but not required, to disclose industry-based metrics pursuant to paragraph 36.	Section IV

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Vigonvita Life Sciences Co., Ltd.
(蘇州旺山旺水生物醫藥股份有限公司)
(incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Vigonvita Life Sciences Co., Ltd.* ("蘇州旺山旺水生物醫藥股份有限公司") (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 107 to 177, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

* *English name is for identification purpose only.*

KEY AUDIT MATTER *(CONTINUED)*

Key audit matter	How our audit addressed the key audit matter
Cut-off of the outsourcing service fees included in research and development expenses	
The Group incurred research and development ("R&D") expenses of RMB203 million during the year ended December 31, 2025. The Group engaged outsourced service providers including contract research organizations, contract development and manufacturing organizations, principal investigators and other service providers (collectively referred to as the "Outsourced Service Providers") for its R&D activities. Recording of outsourcing service fees to the appropriate financial reporting period and the corresponding accruals at the end of the reporting period are based on the progress of these R&D projects. As disclosed in Note 4 to the consolidated financial statements, the management of the Group applies estimate in measurement of the progress of the R&D projects. Outsourcing service fees of RMB25 million were accrued at December 31, 2025 as set out in Note 27 to the consolidated financial statements. We identified cut-off of the outsourcing service fees as a key audit matter due to its significant amount and the risk of not recording outsourcing service fees incurred in the appropriate financial reporting period.	Our procedures performed on the cut-off of the outsourcing service fees included: • Obtaining an understanding of key controls in relation to the accrual of the outsourcing service fees and evaluating the design and implementation of these controls; • For the service fees incurred by December 31, 2025, performing test of details, on a sample basis, by: (1) evaluating the completion status by checking the respective contract terms and/or milestones of the relevant agreements and the progress reported by the representatives of the relevant Outsourced Service Providers; (2) sending confirmation to Outsourced Service Providers to confirm the progress of the outsourcing services provided for the year ended December 31, 2025; and (3) checking the subsequent payment to Outsourced Service Providers to evaluate the adequacy of the outsourcing service fees accrual at the year end.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matter communicated with those charged with governance, we determine this matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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 YEE, Mung Mui (practising certificate number: P08238).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
March 31, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended December 31, 2025

	Notes	Year ended December 31, 2025 RMB'000	2024 RMB'000
Revenue	5	**102,096**	11,832
Cost of sales		**(21,417)**	(8,345)
Gross profit		**80,679**	3,487
Other income	7	**17,037**	8,052
Other gains and losses, net	8	**(3,204)**	211
Research and development expenses		**(202,502)**	(134,863)
Administrative expenses		**(163,775)**	(65,071)
Selling expenses		**(45,495)**	(4,321)
Impairment losses under expected credit loss ("ECL") model, net of reversal		**(3,180)**	(2,787)
Listing expenses		**(23,106)**	(6,187)
Finance costs	9	**(13,358)**	(16,164)
Loss before tax	10	**(356,904)**	(217,643)
Income tax expense	11	**(206)**	–
Loss for the year		**(357,110)**	(217,643)
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**82**	(222)
Total comprehensive expense for the year		**(357,028)**	(217,865)
Loss for the year attributable to:			
Owners of the Company		**(355,718)**	(211,404)
Non-controlling interests		**(1,392)**	(6,239)
		(357,110)	(217,643)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(355,636)**	(211,626)
Non-controlling interests		**(1,392)**	(6,239)
		(357,028)	(217,865)
Loss per share			
– Basic (RMB yuan)	13	**(2.33)**	(1.45)
– Diluted (RMB yuan)	13	**(2.33)**	(1.45)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Notes	As at December 31, 2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	15	**513,639**	360,753
Right-of-use assets	16	**118,907**	122,980
Intangible assets	17	**93,211**	77,770
Other non-current assets	19	**2,268**	5,051
		728,025	566,554
Current assets			
Inventories	20	**6,299**	3,287
Trade receivables	21	**6,704**	8,717
Prepayments and other receivables	22	**2,860**	7,960
Contract assets	23	**–**	1,141
Financial assets at fair value through profit or loss ("FVTPL")	24	**69,464**	–
Other current assets	25	**27,997**	17,162
Bank balances and cash	26	**447,974**	121,135
		561,298	159,402
Current liabilities			
Trade and other payables	27	**184,543**	126,188
Contract liabilities	28	**9,818**	5,726
Amounts due to a related party	34(ii)	**–**	11,267
Lease liabilities	29	**21,676**	13,967
Borrowings	30	**307,777**	151,968
Deferred income	31	**411**	13,079
		524,225	322,195
Net current assets (liabilities)		**37,073**	(162,793)
Total assets less current liabilities		**765,098**	403,761

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	Notes	As at December 31, 2025 RMB'000	2024 RMB'000
Non-current liabilities			
Lease liabilities	29	**24,932**	28,355
Borrowings	30	**292,189**	222,160
Deferred income	31	**12,276**	12,875
		329,397	263,390
Net assets		**435,701**	140,371
Capital and reserves			
Share capital	32	**167,598**	6,601
Reserves		**278,624**	142,899
Equity attributable to owners of the Company		**446,222**	149,500
Non-controlling interests		**(10,521)**	(9,129)
Total equity		**435,701**	140,371

The consolidated financial statements on pages 107 to 177 were approved and authorised for issue by the board of directors on March 31, 2026 and are signed on its behalf by:

Tian Guanghui
DIRECTOR

Hu Tianwen
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2025

	Attributable to owners of the Company								
	Share capital RMB'000	Share premium RMB'000	Other reserve RMB'000	Share-based payments reserve RMB'000	Translation reserve RMB'000	Retained Earnings (accumulated losses) RMB'000	Subtotal RMB'000	Non-controlling interests RMB'000	Total RMB'000
As at January 1, 2024	6,361	176,701	–	15,973	17	42	199,094	(10,978)	188,116
Loss for the year	–	–	–	–	–	(211,404)	(211,404)	(6,239)	(217,643)
Other comprehensive expense for the year	–	–	–	–	(222)	–	(222)	–	(222)
Total comprehensive expense for the year	–	–	–	–	(222)	(211,404)	(211,626)	(6,239)	(217,865)
Issue of Series C shares	240	159,760	–	–	–	–	160,000	–	160,000
Recognition of redemption liabilities on Series C financing (Note 32)	–	–	(50,000)	–	–	–	(50,000)	–	(50,000)
Reclassification of financial liabilities at amortised cost as equity (Note 32)	–	–	51,875	–	–	–	51,875	–	51,875
Recognition of equity-settled share-based payments (Note 33)	–	–	–	14,745	–	–	14,745	–	14,745
Acquisition of non-controlling interests of a subsidiary (Note 39)	–	–	(14,588)	–	–	–	(14,588)	6,088	(8,500)
Capital injection from a non-controlling Interest	–	–	–	–	–	–	–	2,000	2,000
As at December 31, 2024	6,601	336,461	(12,713)	30,718	(205)	(211,362)	149,500	(9,129)	140,371
Loss for the year	–	–	–	–	–	(355,718)	(355,718)	(1,392)	(357,110)
Other comprehensive income for the year	–	–	–	–	82	–	82	–	82
Total comprehensive income (expense) for the year	–	–	–	–	82	(355,718)	(355,636)	(1,392)	(357,028)
Issue of shares upon Initial public offering ("IPO") (Note 32)	17,598	517,676	–	–	–	–	535,274	–	535,274
Transaction costs attributable to issue of shares (Note 32(iv))	–	(67,088)	–	–	–	–	(67,088)	–	(67,088)
Share Conversion (Note 32)	143,399	(143,399)	–	–	–	–	–	–	–
Recognition of equity-settled share-based payments (Note 33)	–	–	–	184,172	–	–	184,172	–	184,172
Vested Restricted Shares (Note 33)	–	124,392	–	(124,392)	–	–	–	–	–
As at December 31, 2025	167,598	768,042	(12,713)	90,498	(123)	(567,080)	446,222	(10,521)	435,701

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Year ended December 31, 2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES		
Loss for the year	**(357,110)**	(217,643)
Adjustments for:		
Income tax expense	**206**	–
Depreciation of property, plant and equipment	**21,730**	20,437
Losses (gains) arising from financial assets at FVTPL	**706**	(218)
Losses on lease modification	**–**	156
Losses on disposal of property, plant and equipment	**–**	37
Amortisation of intangible assets	**4,215**	774
Depreciation of right-of-use assets	**13,090**	12,410
Share-based payment expenses	**184,172**	14,745
Finance costs	**13,358**	16,164
Impairment losses under ECL model, net of reversal	**3,180**	2,787
Provision for inventory	**390**	–
Net foreign exchange losses (gains)	**2,846**	(239)
Operating cash flow before movements in working capital	**(113,217)**	(150,590)
Decrease in trade receivables, prepayments and other receivables	**4,360**	24,233
Increase in inventories	**(3,402)**	(78)
(Increase) decrease in contract assets	**(44)**	1,614
(Increase) decrease in other current assets	**(10,834)**	4,234
Decrease in other non-current assets	**–**	4,449
Increase in trade and other payables	**35,845**	8,701
Increase (decrease) in contract liabilities	**4,092**	(1,235)
Decrease in deferred income	**(13,267)**	(179)
Cash used in operations	**(96,467)**	(108,851)
Income tax paid	**(206)**	–
NET CASH USED IN OPERATING ACTIVITIES	**(96,673)**	(108,851)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(159,971)**	(77,676)
Purchase of intangible assets	**(3,831)**	(10,470)
Payments for rental deposits	**–**	(483)
Proceeds from disposal of financial assets at FVTPL	**46,347**	125,218
Purchases of financial assets at FVTPL	**(116,517)**	(125,000)
NET CASH USED IN INVESTING ACTIVITIES	**(233,972)**	(88,411)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Year ended December 31, 2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES		
Interest paid	**(19,412)**	(14,789)
Proceeds from borrowings	**385,051**	263,176
Repayments of borrowings	**(158,440)**	(168,490)
Repayment of amounts due to a related party	**(165,465)**	–
Repayments of lease liabilities	**(6,647)**	(10,365)
Proceeds from borrowing from a related party	**155,000**	–
Proceeds from issue of shares	**535,274**	160,000
Payment on acquisition of non-controlling interests of a subsidiary	**–**	(8,500)
Capital injection from a non-controlling interest	**–**	2,000
Issue costs paid	**(65,031)**	(848)
NET CASH FROM FINANCING ACTIVITIES	**660,330**	222,184
NET INCREASE IN CASH AND CASH EQUIVALENTS	**329,685**	24,922
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**121,135**	95,974
Effect of foreign exchange rate changes	**(2,846)**	239
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**447,974**	121,135

1. GENERAL INFORMATION

Vigonvita Life Sciences Co., Ltd.* ("蘇州旺山旺水生物醫藥股份有限公司") (the "Company") was incorporated in the People's Republic of China (the "PRC") on January 21, 2013 as a limited liability company. On March 10, 2023, the Company was converted to a joint stock company with limited liability under the Company Law of the PRC. On November 6, 2025, the Company's H shares became listed on The Stock Exchange of Hong Kong Limited (the "Listing"). The respective address of the registered office and the principal place of business of the Company are 8th Floor, Building A, No. 108, Yuxin Road Suzhou Industrial Park District, Suzhou, PRC.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are focused on innovation-driven biopharmaceutical development, with a strategic emphasis on addressing unmet clinical needs in the treatment of neuropsychiatric, infectious, and andrological diseases. Further details regarding the individual subsidiaries and their principal activities are provided in Note 39.

The controlling shareholders of the Company are Dr. Shen Jingshan ("Dr. Shen") and his spouse, Ms. Jin Jie. Dr. Shen is also one of the founders of the Company.

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

2. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

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

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

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

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

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

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

* *English name is for identification purpose only.*

2. ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS *(CONTINUED)*

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

3.1 Basis of preparation of consolidated financial statements

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

Going concern assessment

As at December 31, 2025, the Group's net current assets were RMB37,073,000. Meanwhile, the Group's total borrowings amounted to RMB599,966,000 as at December 31, 2025, of which RMB307,777,000 will be due for repayment within the next twelve months. In addition, the Group's bank balances and cash were amounted to RMB447,974,000 as at December 31, 2025.

Since the Group had unutilized banking facilities of RMB281,223,000 as at December 31, 2025, of which RMB120,700,000 could be utilised for daily operating and RMB160,523,000 could be utilised for construction in progress in Suzhou. The Group has prepared cash flow projections which cover a period from January 1, 2026 to March 31, 2027. The directors of the Company are of the opinion that, taking into account the Group's cash flow projection, expected working capital requirements and above unutilized bank facilities, the Group will have sufficient working capital to fund its operations and to meet its payment obligations including the milestone payment of in-licenses and capital commitment when they fall due from January 1, 2026 to March 31, 2027. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended December 31, 2025 on a going concern basis.

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved when the Company:

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

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

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

CHANGES IN THE GROUP'S INTERESTS IN EXISTING SUBSIDIARIES

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5, 23 and 28.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

LEASES

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

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

LEASES *(CONTINUED)*

The Group as a lessee* *(CONTINUED)

Refundable rental deposits

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

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates and a credit risk adjustment based on bond yields.

The lease payments include fixed payments (including in-substance fixed payments).

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

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;

- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

LEASES *(CONTINUED)*

The Group as a lessee* *(CONTINUED)

Lease modifications

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

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Sale and leaseback transactions

The Group applies the requirements of IFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a seller-lessee

For a transfer that does not satisfy the requirements as a sale, the Group as a seller-lessee continues to recognise the assets and accounts for the transfer proceeds as borrowings within the scope of IFRS 9.

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

INTANGIBLE ASSETS

Intangible assets acquired separately

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

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets – research and development expenditure

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

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

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

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. The Group recognises development costs as follows:

For class I innovative drugs (innovative drugs that have not been previously approved for marketing in Mainland China), development stage begins after obtaining new drug application approval from drug regulatory organisation. Development costs at this stage are recognised as assets when the above six criteria are met.

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

INTANGIBLE ASSETS *(CONTINUED)*

Internally-generated intangible assets – research and development expenditure* *(CONTINUED)

For generic drugs which have been previously approved for marketing in Mainland China, development stage begins after commencement of bioequivalence tests. Development costs incurred for bioequivalence tests are recognised as assets when the above six criteria are met. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

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

Intangible assets not yet available for use are not subject to amortisation and are tested for impairment at least annually, and whenever there is an indication that these assets may be impaired.

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

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS *(CONTINUED)*

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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

BORROWING COSTS

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

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

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

GOVERNMENT GRANTS

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

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

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

EMPLOYEE BENEFITS

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes in the PRC are recognised as an expense when employees have rendered service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

Short-term employee benefits

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

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

EMPLOYEE BENEFITS *(CONTINUED)*

Equity-settled share-based payment transactions

Restricted shares ("RS") granted to employees

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

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

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

TAXATION

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

TAXATION *(CONTINUED)*

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

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

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

CASH AND CASH EQUIVALENTS

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

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

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

FINANCIAL INSTRUMENTS

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

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

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

Financial assets

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

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

Classification and subsequent measurement of financial assets

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

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

All other financial assets are subsequently measured at FVTPL.

(i) Amortised cost and interest income

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial assets* *(CONTINUED)

Classification and subsequent measurement of financial assets *(CONTINUED)*

(ii) Financial assets at FVTPL

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

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

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, other receivables, long-term deposits, bank balances and cash) and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables and contract assets.

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial assets* *(CONTINUED)

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 (CONTINUED)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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

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

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

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial assets *(CONTINUED)*

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 *(CONTINUED)*

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

(iii) Credit-impaired financial assets

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

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

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

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

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

(iv) Write-off policy

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial assets* *(CONTINUED)

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 (CONTINUED)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. Except for those trade receivables of significant balances or with different risk characteristics, the Group uses a practical expedient in estimating ECL on trade receivables collectively and taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

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

Lifetime ECL for trade receivables and contract assets for contract research organization ("CRO") services and sales of pharmaceutical products are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

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

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

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

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

FINANCIAL INSTRUMENTS *(CONTINUED)*

Financial assets* *(CONTINUED)

Impairment of financial assets and contract assets subject to impairment assessment under IFRS 9 (CONTINUED)

(v) Measurement and recognition of ECL *(CONTINUED)*

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

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "Other gains and losses, net" line item (Note 8) as part of the net foreign exchange (losses) gains.

Derecognition of financial assets

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

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

FINANCIAL LIABILITIES AND EQUITY

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

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

3.2 MATERIAL ACCOUNTING POLICY INFORMATION *(CONTINUED)*

FINANCIAL LIABILITIES AND EQUITY *(CONTINUED)*

Financial liabilities

All financial liabilities the Group holds are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, amounts due to a related party and borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

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

Research and development expenses

Development expenses incurred on the Group's drug product pipelines are capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, the Group's intention to complete and the Group's ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the pipeline and the ability to measure reliably the expenditure during the development. Development expenses which do not meet these criteria are expensed when incurred. Management will assess the progress of each of the research and development projects and determine the criteria are met for capitalisation.

During the year ended December 31, 2025, the Group incurred significant research and development expenses of RMB205,890,000 (2024: RMB143,143,000) (before capitalisation and excluding purchase of in-licenses), out of which, development costs amounted to RMB3,388,000 (2024: RMB8,280,000) have been capitalised, and research and development expenses amounted to RMB202,502,000 (2024: RMB134,863,000) are expensed when incurred. As at December 31, 2025, the capitalised development costs not ready for use of the Group was RMB9,435,000 (2024: RMB6,047,000).

Key sources of estimation uncertainty

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

Research and development expenses accrued

The Group relies on outsourced service providers including contract research organizations, contract development and manufacturing organizations, principal investigators and other service providers (collectively referred to as the "Outsourced Service Providers") to conduct, supervise and monitor the Group's ongoing research and development projects. Determining the amounts of service fees payable to Outsourced Service Providers up to the end of the reporting period requires the management of the Group to estimate and measure the progress of services provided by Outsourced Service Providers on a contract-by-contact basis, which is the basis of assessing service fees to Outsourced Service Providers that had incurred and therefore should be recognized up to the end of the reporting period. Outsourcing service fees of RMB25 million were accrued as at December 31, 2025 as set out in Note 27.

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

KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

IMPAIRMENT TESTING OF INTANGIBLE ASSETS NOT READY FOR USE

Capitalised development costs and in-licenses are recognised as intangible assets and stated at cost less accumulated amortisation and impairment, if any. For the capitalised development costs and in-licenses not yet available for use, the Group would assess the assets individually for impairment annually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether the carrying value of an asset can be supported by the recoverable amount, which is the higher of the value in use or fair value less costs of disposal; and (2) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. Changing the assumptions and estimates as set out in Note 18 to the consolidated financial statements in the cash flow projections, could materially affect the net present value used in the impairment test.

As at December 31, 2025, the carrying amounts of capitalised development costs not ready for use and in-licenses not yet available for use is RMB33,200,000 (2024: RMB59,487,000). Details of the assessment of impairment of intangible assets not yet available for use are set out in Note 18.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS READY FOR USE

Property, plant and equipment, right-of-use assets and intangible assets ready for use are stated at costs less accumulated depreciation/amortisation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

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

As at December 31, 2025, no indication of impairment for property, plant and equipment, right-of-use assets and intangible assets ready for use are identified by the Group (2024: nil).

USEFUL LIVES OF PROPERTY, PLANT, AND EQUIPMENT

The Group's management determines the estimated useful lives and the depreciation method in determining the related depreciation charges for its property, plant and equipment other than construction in progress. This estimate is reference to the useful lives of property, plant and equipment of similar nature and functions in the industry. Management will increase the depreciation charge where useful lives are expected to be shorter than expected, or will write-off or write-down obsolete assets that have been abandoned or sold. As at December 31, 2025, the carrying amount of property, plant and equipment other than construction in progress of the Group is RMB280,932,000 (2024: RMB279,745,000), as disclosed in Note 15.

5. REVENUE

(i) DISAGGREGATION OF REVENUE FROM CONTRACTS WITH THE CUSTOMERS:

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Timing of revenue recognition		
At a point in time		
Sales of pharmaceutical products	**57,844**	1,481
Out-licensing income	**33,773**	5,102
Income from transfer of intellectual property rights	**10,000**	–
	101,617	6,583
Over time		
CRO services	**479**	5,249
	102,096	11,832
Geographical market		
The PRC	**101,940**	11,790
Uzbekistan	**156**	42
	102,096	11,832

(ii) PERFORMANCE OBLIGATIONS FOR CONTRACTS WITH CUSTOMERS AND REVENUE RECOGNITION POLICIES

SALES OF PHARMACEUTICAL PRODUCTS

Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customers' specific locations and the customers have inspected and accepted the goods. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities. A receivable is recognised by the Group when the control of goods are transferred to the customers. The normal credit term is 30 to 60 days upon the control of goods are transferred to the customers. The transaction price received by the Group is recognised as a contract liability until the control of goods are transferred to the distributors. The Group includes in the transaction price variable consideration (discounts, rebates and other incentives) estimated to the extent that it is highly probable that a significant revenue reversal will not occur.

5. REVENUE *(CONTINUED)*

(ii) PERFORMANCE OBLIGATIONS FOR CONTRACTS WITH CUSTOMERS AND REVENUE RECOGNITION POLICIES *(CONTINUED)*

OUT-LICENSING INCOME

In December 2025, the Company entered into an out-licensing agreement with a customer. Pursuant to the Agreement, the Company will grant the customer exclusive license rights for VV116 in the Greater China region for the indications of treating infections caused by respiratory syncytial virus ("RSV") and human metapneumovirus ("HMPV"). The consideration for the out-licensing comprises of (i) upfront payment, (ii) development milestones payments, and (iii) royalties calculated based on the gross profits as defined in the related agreement with customers. The upfront payment of RMB30,000,000 are recognised as revenue for the year ended December 31, 2025.

From 2021 to 2023, the Company entered into an out-licensing agreement and several supplementary agreements with customers to grant them an exclusive right of research and development, production, and commercialisation for Project VV116 applying to COVID-19 symptoms in the world except for five countries in Central Asia (comprising Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan), North Africa (comprising Egypt, Libya, Tunisia, Algeria, Morocco, and Sudan), the Middle East (comprising Saudi Arabia, Iran, Iraq, Kuwait, United Arab Emirates, Oman, Qatar, Bahrain, Turkey, Israel, Palestine, Syria, Lebanon, Jordan, Yemen, Cyprus, Georgia, Armenia, and Azerbaijan), and Russia (the "Granted Regions"). The out-licensing royalties calculated based on the higher of sales or gross profits as defined in the related supplementary agreement with customers. The royalties of RMB3,773,000 are recognised as revenue for the year ended December 31, 2025 (2024: RMB5,102,000).

For variable consideration in relation to milestone payments and royalties from out-licensing agreement, the Group estimates the amount of consideration to which it will be entitled using the most likely amount, which best predicts the amount of consideration to which the Group will be entitled. The potential milestone payments that the Company is eligible to receive were considered as variable consideration as all milestone amounts were fully constrained due to uncertainty of achievement. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

As at December 31, 2025, the remaining uncompleted milestone payments are subject to the future achievement of remaining milestone criteria.

INCOME FROM TRANSFER OF INTELLECTUAL PROPERTY RIGHTS

In February 2025, the Company entered into a patent transfer agreement with a customer, under which the Company transferred a series of patents to the customer in exchange for a fixed consideration of RMB10,000,000. The revenue of RMB10,000,000 was recognised for the year ended December 31, 2025 when the customer obtained the patent rights and accepted related documents.

5. REVENUE *(CONTINUED)*

(ii) PERFORMANCE OBLIGATIONS FOR CONTRACTS WITH CUSTOMERS AND REVENUE RECOGNITION POLICIES *(CONTINUED)*

CRO SERVICES

The Group earns revenue by providing CRO services to its customers through fee-for-service ("FFS") contracts. The Group carries out several research services including managing pre-clinical studies and preparing relevant application documents for its customers to ensure the research meet all regulatory guidelines. The Group identifies all services as one performance obligation and recognises FFS revenue of contractual elements over time as the Group's performance does not create an asset with an alternative future use since the Group cannot redirect the asset for use on another customer, and the contract terms specify the Group has an enforceable right to payment for performance completed to date. And the Group uses the input method to determine the progress of performance based on the percentage of costs incurred to date to the total estimated costs for the completion of the performance obligation.

The transaction price received by the Group is recognised as a contract liability until the services have been delivered to the customers.

(iii) TRANSACTION PRICE ALLOCATED TO THE REMAINING PERFORMANCE OBLIGATION FOR CONTRACTS WITH CUSTOMERS

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) for contracts with customers regarding CRO services as at December 31, 2025 and the expected timing of recognising revenue are as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
Within one year	720	1,124
More than one year	–	57
	720	1,181

Since the timing of the services to be performed are not subject to contract terms, the above information was based on management's estimate as at December 31, 2025 and 2024, and the actual timing of revenue recognition may change, depending on the actual progress of pre-clinical studies.

The transaction price allocated to performance obligations for out-licensing agreement, which have been satisfied but not yet recognised due to variable consideration constraint, is not disclosed.

All sales of pharmaceutical products are for a period of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENTS INFORMATION

For the purpose of resources allocation and performance assessment, the general manager of the Company, being the chief operating decision maker, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. The Group has only one reportable segment. Accordingly, only geographical information and major customers are presented.

Geographical information

The Group's operations are located in the PRC and Uzbekistan.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations. Details of geographical information are set out in Note 5(i).

Almost all of the Group's non-current assets are located in the PRC.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group during the years are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Customer A	**50,131**	N/A*
Customer B	**30,000**	N/A*
Customer C	**N/A***	7,702

* The revenue from certain customers for the year is less than 10% of the total revenue of the Group for the corresponding year.

7. OTHER INCOME

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Government grants (Note)	**15,906**	7,134
Bank interest income	**661**	708
Others	**470**	210
	17,037	8,052

Note: The amount represents subsidies granted by the PRC government authorities as incentives mainly for the Group's research and development activities. The government grants including unconditional and conditional which had been approved by the PRC government authorities. The unconditional government grants are recognised when payments were received. The conditional government grants are recognised when condition met and the corresponding grants are received.

8. OTHER GAINS AND LOSSES, NET

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Net foreign exchange (losses) gains	(2,846)	239
(Losses) gains from changes in fair value of financial assets at FVTPL	(706)	218
Losses on lease modifications	–	(156)
Losses on disposal of property, plant and equipment	–	(37)
Others	348	(53)
	(3,204)	211

9. FINANCE COSTS

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Interest on borrowings	16,149	12,957
Less: amounts capitalised in the cost of construction in progress	4,479	801
	11,670	12,156
Interest on lease liabilities	1,399	1,748
Interest on financial liabilities at amortised cost	–	1,875
Interest on loan from a related party (Note 34(i))	289	385
	13,358	16,164

10. LOSS BEFORE TAX

Loss before tax for the year has been arrived at after charging (crediting):

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Depreciation of property, plant and equipment	21,730	20,437
Depreciation of right-of-use assets	15,006	14,326
Amortisation of intangible assets	4,215	774
Total depreciation and amortisation	40,951	35,537
Less: amounts capitalised in the cost of construction in progress	1,916	1,916
amounts capitalised in the cost of inventories	1,719	898
	37,316	32,723
Auditors' remuneration	4,300	207
Impairment losses recognised (reversed) on		
– trade receivables	2,000	3,237
– other receivables	(4)	(109)
– contract assets	1,184	(341)
Cost of inventories recognised as an expense		
– research and development expenses	9,591	10,809
– costs of sales (including written down of inventories amounting to RMB390,000 (2024: nil))	6,890	1,613
Listing expenses	23,106	6,187
Directors' and supervisors' emoluments (Note 12(a))	36,974	17,454
Other staff costs:		
– salaries and other benefits	62,336	56,796
– discretionary bonus (Note)	5,613	3,456
– retirement benefit scheme contributions	7,468	7,293
– share-based payments	150,403	–
Total staff costs (including directors' and supervisors' emoluments)	262,794	84,999
Less: amounts capitalised in the cost of inventories	1,740	1,065
	261,054	83,934

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

11. INCOME TAX EXPENSE

(i) INCOME TAX EXPENSE:

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

The Company was accredited as a "High and New Technology Enterprises" on November 18, 2022 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of accreditation, subject to certain conditions. The Company renewed the accreditation on December 19, 2025 and it may entitle to a preferential tax rate of 15% for a three-year period commencing from the year of accreditation. Therefore, the applicable Enterprise Income Tax rate (the "EIT rate") of the Company is 15% for both years.

Pursuant to Caishui 2023 circular No. 7, the Company enjoyed super deduction of 200% on qualified research and development expenditures for both years.

Vigonvita Tashkent LLC, a wholly-owned subsidiary of the Company, is subject to the Uzbekistan Corporate Income Tax rate of 15% for both years.

No provision for taxation in the PRC has been made as the Group's has no taxable profit for both years.

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

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss before tax	**(356,904)**	(217,643)
PRC income tax rate at 25%	**(89,226)**	(54,411)
Tax effect of expenses that are not deductible for tax purpose	**30,789**	430
Tax effect of super deduction on research and development expenses	**(25,727)**	(25,439)
Tax effect of tax losses not recognised	**64,155**	75,392
Tax effect of deductible temporary differences not recognised	**20,306**	4,075
Utilisation of deductible temporary differences previously not recognised	**(91)**	(47)
Income tax expense	**206**	–

(ii) DEFERRED TAXATION:

For the purpose of presentation in the consolidated statement of financial position, deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same legal entity and fiscal authority. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	**8,493**	9,625
Deferred tax liabilities	**(8,493)**	(9,625)
	–	–

11. INCOME TAX EXPENSE *(CONTINUED)*

(ii) DEFERRED TAXATION: *(CONTINUED)*

The following are the major deferred tax assets/(liabilities) recognised and movements thereon during the year:

	Right-of-use assets RMB'000	Lease liabilities RMB'000	Tax losses RMB'000	Total RMB'000
Carrying amount				
As at January 1, 2024	(9,457)	9,457	–	–
(Charge) credit to profit or loss	(168)	(22)	190	–
As at December 31, 2024	**(9,625)**	**9,435**	**190**	**–**
Credit (charge) to profit or loss	**1,132**	**(942)**	**(190)**	**–**
As at December 31, 2025	**(8,493)**	**8,493**	**–**	**–**

As at December 31, 2025, the Group had deductible temporary differences of RMB166,984,000 (2024: RMB83,383,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which such deductible temporary differences can be utilised.

As at December 31, 2025, the Group had unused tax losses of RMB947,773,000 (2024: RMB691,162,000), available to offset against future profits. As at December 31, 2025, no unused tax losses (2024: RMB761,000) had been recognised as deferred tax assets, while RMB947,773,000 (2024: RMB690,401,000) had not been recognised as deferred tax assets due to the unpredictability of future profit streams. For these unrecognised tax losses, pursuant to the relevant laws and regulations in the PRC and Uzbekistan, these tax losses will be carried forward and expired in years as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
2025	**–**	9
2026	**22,944**	22,944
2027	**15,042**	15,042
2028	**79,583**	79,583
2029	**111,502**	110,741
2030	**137,570**	36,441
2031	**78,611**	78,609
2032	**134,383**	134,383
2034	**212,649**	212,649
2035	**155,489**	–
	947,773	690,401

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

(a) DIRECTORS AND SUPERVISORS

	Date of appointment	Director fees RMB'000	Salaries and other benefits RMB'000	Discretionary Bonuses RMB'000 (Note (v))	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000 (Note (vi))	Total RMB'000
For the year ended December 31, 2025							
Executive director and general manager:							
Dr. Tian Guanghui (Note (vi))	June 28, 2020	–	557	198	47	17,591	18,393
Executive director:							
Dr. Hu Tianwen (Note (vi))	June 20, 2023	–	483	204	71	10,218	10,976
Non-executive director							
Mr. Liu Haoxuan	June 28, 2020	92	–	–	–	–	92
Independent non- executive directors:							
Dr. Ju Dianwen	March 27, 2023	100	–	–	–	–	100
Ms. Cao Xinwen	March 27, 2023	100	–	–	–	–	100
Dr. Xu Hongxi (Note (vii))	January 24, 2025	188	–	–	–	–	188
Supervisors:							
Dr. Yang Rulei (Note (vi))	September 15, 2021	–	402	99	47	3,406	3,954
Mr. Zhou Hongju	September 15, 2021	–	92	–	–	–	92
Mr. Li Jian	March 15, 2021	–	384	94	47	2,554	3,079
		480	1,918	595	212	33,769	36,974

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(CONTINUED)*

(a) DIRECTORS AND SUPERVISORS *(CONTINUED)*

	Date of appointment	Director fees RMB'000	Salaries and other benefits RMB'000	Discretionary Bonuses RMB'000 (Note (v))	Retirement benefit scheme contributions RMB'000	Share-based payments RMB'000 (Note (vi))	Total RMB'000
For the year ended December 31, 2024							
Executive director and general manager:							
Dr. Tian Guanghui (Note (vi))	June 28, 2020	–	613	93	46	14,745	15,497
Executive director:							
Dr. Hu Tianwen	June 20, 2023	–	479	163	67	–	709
Non-executive director (Note (ii)):							
Mr. Liu Haoxuan	June 28, 2020	–	–	–	–	–	–
Independent non-executive directors:							
Dr. Ju Dianwen	March 27, 2023	100	–	–	–	–	100
Ms. Cao Xinwen	March 27, 2023	100	–	–	–	–	100
Supervisors:							
Dr. Yang Rulei	September 15, 2021	–	456	28	46	–	530
Mr. Zhou Hongju (Note (ii))	September 15, 2021	–	–	–	–	–	–
Mr. Li Jian	March 15, 2021	–	442	30	46	–	518
		200	1,990	314	205	14,745	17,454

Notes:

(i) None of the directors or supervisors of the Company waived or agreed to waive any emoluments during the year.

(ii) The non-executive director and Mr. Zhou Hongju as the supervisor of the Company, are of the opinion that the service provided to the Group only occupy an insignificant portion of their time for the year ended December 31, 2024 and therefore it is concluded that they are not remunerated for such services for the year ended December 31, 2024.

(iii) During the year, no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(iv) The executive directors', non-executive's director and supervisors' (except for Mr. Zhou Hongju for the year ended December 31, 2024) emoluments shown above were for their services in connection with the management of the affairs of the Group.

(v) The discretionary bonuses were determined with reference to their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

(vi) Certain directors and supervisors were granted the restricted shares, in respect of their services to the Group under the restricted shares scheme of the Company. Details of the restricted shares scheme are set out in Note 33.

(vii) Dr. Xu Hongxi was appointed as an independent non-executive director of the Company in January 2025.

12. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(CONTINUED)*

(B) FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group included two directors (2024: two directors) of the Company for the year ended December 31, 2025, details of whose remuneration are set out above. Details of the remuneration for the remaining three (2024: three) highest paid individuals for the year ended December 31, 2025 are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits	**2,591**	3,740
Retirement benefit scheme contributions	**189**	258
Discretionary bonuses (Note)	**946**	547
Share-based payments	**17,881**	–
	21,607	4,545

Note: Discretionary bonuses were determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

The emoluments of the five highest paid individuals are within the following bands:

	Year ended December 31,	
	2025	2024
	No. of employees	No. of employees
Hong Kong Dollars ("HK$") 1,000,001 to HK$1,500,000	**–**	3
HK$1,500,001 to HK$2,000,000	**–**	1
HK$7,500,001 to HK$8,000,000	**2**	–
HK$8,000,001 to HK$8,500,000	**1**	–
HK$12,000,001 to HK$12,500,000	**1**	–
HK$17,000,001 to HK$17,500,000	**–**	1
HK$20,000,001 to HK$20,500,000	**1**	–
	5	5

During the year, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

During the year, certain non-director and non-chief executive highest paid employees were granted restricted shares, in respect of their services to the Group under the restricted share scheme of the Company. Details of the restricted share scheme are set out in Note 33 to the consolidated financial statements.

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Loss		
Loss for the purpose of basic loss per share for the year attributable to owners of the Company	(355,718)	(211,404)

	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic loss per share (Note)	152,652	145,558

	RMB	RMB
Basic loss per share	(2.33)	(1.45)

Note: Certain Series C investor, which are recorded as financial liabilities at amortised cost as set out in Note 32, are not treated as outstanding shares and thus are excluded in the calculation of basic loss per share until the redemption right was legally terminated on December 23, 2024.

The weighted average number of ordinary shares for the purpose of basic loss per share has also been adjusted retrospectively for the share conversion on January 13, 2025 as set out in Note 32 on the assumption that the share conversion had been effective at the beginning of the year ended December 31, 2024.

The computation of diluted loss per share for the year ended December 31, 2025 does not assume the exercise of the over-allotment option since their assumed exercise would result in a decrease in loss per share.

Diluted loss per share is calculated by adjusting weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2024, the Company had one investor's shares which are potential ordinary shares. As the Group incurred losses for the year ended December 31, 2024, the potential ordinary shares were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2024 is the same as basic loss per share for the year.

14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended December 31, 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Machinery and equipment RMB'000	Office equipment and fixtures RMB'000	Vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
As at January 1, 2024	48	12,888	53,370	4,006	81	255,451	325,844
Additions	–	–	2,743	305	–	69,097	72,145
Transfer	234,915	401	8,203	21	–	(243,540)	–
Disposals	–	–	(267)	(214)	–	–	(481)
As at December 31, 2024	**234,963**	**13,289**	**64,049**	**4,118**	**81**	**81,008**	**397,508**
Additions	**706**	**–**	**177**	**459**	**–**	**173,274**	**174,616**
Transfer	**20,839**	**–**	**655**	**81**	**–**	**(21,575)**	**–**
As at December 31, 2025	**256,508**	**13,289**	**64,881**	**4,658**	**81**	**232,707**	**572,124**
DEPRECIATION							
As at January 1, 2024	–	1,491	13,300	1,956	15	–	16,762
Provided for the year	10,208	2,494	7,045	671	19	–	20,437
Eliminated on disposals	–	–	(253)	(191)	–	–	(444)
As at December 31, 2024	**10,208**	**3,985**	**20,092**	**2,436**	**34**	**–**	**36,755**
Provided for the year	**11,242**	**2,748**	**7,034**	**687**	**19**	**–**	**21,730**
As at December 31, 2025	**21,450**	**6,733**	**27,126**	**3,123**	**53**	**–**	**58,485**
CARRYING AMOUNT							
As at December 31, 2025	**235,058**	**6,556**	**37,755**	**1,535**	**28**	**232,707**	**513,639**
As at December 31, 2024	224,755	9,304	43,957	1,682	47	81,008	360,753

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis, after taking into account of the residual value, over the following period:

Buildings	20 years
Leasehold improvements	Over the shorter of the relevant lease terms or 5 years
Machinery and equipment	5 or 10 years
Office equipment and fixtures	3 or 5 years
Vehicles	4 years

16. RIGHT-OF-USE ASSETS

	Leased properties RMB'000	Land use rights RMB'000	Total RMB'000
Carrying amount			
As at January 1, 2024	40,542	85,735	126,277
Additions	14,470	–	14,470
Decrease for lease modifications	(3,441)	–	(3,441)
Depreciation charge for the year	(11,754)	(2,572)	(14,326)
As at December 31, 2024	**39,817**	**83,163**	**122,980**
Additions	**10,933**	**–**	**10,933**
Depreciation charge for the year	**(12,434)**	**(2,572)**	**(15,006)**
As at December 31, 2025	**38,316**	**80,591**	**118,907**

	Year ended December 31,	
	2025 RMB'000	2024 RMB'000
Expenses relating to short-term leases	**377**	436
Expenses relating to low-value leases, excluding short-term leases of low-value assets	**40**	47
Total cash outflow for leases	**8,463**	12,468

During the reporting year, the Group lease various properties for the operations. The Group's lease contracts are entered into for fixed term of 3 to 6 years and 3 years, respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. There were no extension options in the lease contracts. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the reporting year, the land use right of the Group represented the prepaid lease payment for lands located in the PRC. The Group own several industrial leasehold lands for industrial building and construction in progress. Lump sum payments were made upfront to acquire these leasehold lands. The leasehold land components of these owned properties are presented separately since the payments made can be allocated reliably. The lease terms for certain leasehold lands leased by the Group is 30 or 50 years. The Group has obtained the land use right certificates for all leasehold lands in PRC.

The Group regularly entered into short-term leases for apartments and motor vehicles. As at December 31, 2024 and 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

16. RIGHT-OF-USE ASSETS *(CONTINUED)*

Restrictions or covenants on leases

As at December 31, 2025, the Group's lease liabilities of RMB46,608,000 (2024: RMB42,322,000 is recognised with related right-of-use assets of RMB38,316,000 (2024: RMB39,817,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased properties may not be used as security for borrowing purposes.

Sale and leaseback transaction

To better manage the Group's capital structure and financing needs, the Group sometimes enters into sale and leaseback arrangements in relation to machinery leases. These legal transfers do not satisfy the requirements of IFRS 15 to be accounted for as a sale of the machinery. The Group did not enter such sale and leaseback arrangement during the year ended December 31, 2024. During the year ended December 31, 2025, the Group has raised RMB29,025,000 borrowings (net of a deposit of RMB975,000 to offset future repayments of the borrowings) in respect of such sale and leaseback arrangement.

The borrowing of RMB20,000,000 was pledged by some internally-discovered patents of the Group.

Details of the lease maturity analysis of lease liabilities are set out in Note 29.

17. INTANGIBLE ASSETS

	Capitalised development costs not ready for use RMB'000	Capitalised development costs ready for use RMB'000	In-licenses RMB'000	Software RMB'000	Total RMB'000
COST					
As at January 1, 2024	16,408	–	53,780	408	70,596
Additions	8,280	–	2,160	30	10,470
Transfer	(18,641)	18,641	–	–	–
Disposal	–	–	(2,500)	–	(2,500)
As at December 31, 2024	**6,047**	**18,641**	**53,440**	**438**	**78,566**
Additions	**3,388**	**–**	**15,825**	**443**	**19,656**
As at December 31, 2025	**9,435**	**18,641**	**69,265**	**881**	**98,222**
AMORTISATION AND IMPAIRMENT					
As at January 1, 2024	–	–	2,500	22	2,522
Charged for the year	–	731	–	43	774
Eliminated on disposal	–	–	(2,500)	–	(2,500)
As at December 31, 2024	**–**	**731**	**–**	**65**	**796**
Charged for the year	**–**	**1,864**	**2,275**	**76**	**4,215**
As at December 31, 2025	**–**	**2,595**	**2,275**	**141**	**5,011**
CARRYING AMOUNT					
As at December 31, 2025	**9,435**	**16,046**	**66,990**	**740**	**93,211**
As at December 31, 2024	6,047	17,910	53,440	373	77,770

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Capitalised development costs	Over the estimated economic life when ready for use
In-licenses	Over the shorter of terms of contractual rights and 10 years when ready for use
Software	10 years

During the year ended December 31, 2025, in-license innovative drugs of the Group amounted to RMB45,500,000 are commercialised and amortised when ready for use over the estimated economic life of 10 years.

17. INTANGIBLE ASSETS *(CONTINUED)*

IN-LICENSING AGREEMENTS

Historically, the Group entered into several in-licensing agreements with Topharman Shanghai Co., Ltd.* (上海特化醫藥科技有限公司) ("Topharman Shanghai") and Topharman Shandong Co., Ltd.* (山東特珐曼藥業有限公司) ("Topharman Shandong") and other independent third parties. Topharman Shanghai and Topharman Shandong are controlled by one of the founders of the Company, Dr. Shen.

Pursuant to these in-licensing agreements, the Group acquired exclusive intellectual property rights related to (i) TPN171, (ii) TPN102, (iii) LV232, (iv) a category of resorcinol compound and its application in neurological disorders, (v) a category of antiviral nucleoside analogs and pharmaceutical compositions and its application, (vi) a category of aromatic amines compound and its application on a global scale; (vii) 50% of exclusive intellectual property rights related to a category of baicalein derivatives and its application in the world except for five countries in Central Asia (comprising Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, and Turkmenistan) from the counterparties.

During the reporting year, the Group entered into several in-licensing agreements with some independent third parties to acquire exclusive rights related to a candidate compound with broad-spectrum antiviral potential for adenovirus infections; and a pipeline for Major Depressive Disorder. An upfront fee of RMB825,000 was accrued for the in-licenses.

In exchange for aforementioned intellectual property rights, the Group obligated to pay the consideration consisting of upfront payment, milestone payments and sales royalties based on certain percentage determined in each in-licensing agreement of annual sales realised in granted areas to the counterparties.

During the year ended December 31, 2025, the Group made no (2024: RMB2,160,000) upfront payments and milestone payments, and the Group accrued milestone payable of RMB2,500,000 2024: nil) to Topharman Shanghai for the agreed milestone reached during the year. During the year ended December 31, 2025, the Group accrued milestone payable of RMB1,750,000 (2024: nil) to Topharman Shandong, for the agreed milestone reached during the year. As at December 31, 2025, the Group had paid upfront payments and milestone payments of RMB50,690,000 (2024: RMB50,690,000) for the ongoing in-licensing agreements, and the Group accrued milestone payable of RMB5,250,000 (2024: RMB2,750,000) and RMB1,750,000 (2024: nil) to Topharman Shanghai and Topharman Shandong, respectively. Such amounts were capitalised by the Group as intangible assets when the payment obligation became unconditional.

Given no economic benefits can be recovered in the future, the Company recognised a full impairment loss for an upfront payment of RMB2,500,000 regarding an in-licensing agreement recognised as intangible asset in 2022, since the Company ceased its related research and development in 2022 due to business strategic considerations. Subsequently, the Company signed a termination agreement with counterparties in respect of the in-licensing agreement in June 2024, and the Company no longer has any interests and rights regarding the in-licensing agreement. The related intangible asset was disposed, and the impairment was written-off accordingly.

As at December 31, 2025, the remaining uncompleted milestone payments up to an aggregate amount of RMB278,635,000 (2024: RMB277,960,000) (excluding royalties charged on annual sales) for the Group.

* *English name is for identification purpose only.*

18. IMPAIRMENT TESTING ON INTANGIBLE ASSETS NOT READY FOR USE

Impairment test

In-licenses and certain capitalised development costs, which are intangible assets not yet ready for use, are tested impairment annually based on the recoverable amount of the cash-generating unit to which the intangible asset is related. The appropriate cash-generating unit is at the pipeline or potential pipeline level.

Impairment test on the in-licenses of the Group has been conducted by the management of the Group by engaging an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("AVISTA"), to estimate the recoverable amount of the cash-generating unit at the end of each year. Impairment test on the capitalised development costs has been conducted by the management of the Group. For the purpose of impairment test, the recoverable amount of the cash-generating unit is determined based on value in use by using the discounted cash flow approach.

With the assistance of AVISTA, the management determined the recoverable amount of the above cash-generating units based on the following approach and the key assumptions:

- The cash-generating unit will generate cash inflows starting from certain years (as disclosed in below key parameters) based on the timing of clinical development and regulatory approval for each pipeline, commercial ramp up to reach expected peak revenue potential till certain years (as disclosed in below key parameters), and up to the end of the exclusivity for the product. The management considers the length forecast period is appropriate because it generally takes longer for a biopharma company to generate positive cash flows, compared to companies in other industries, especially when the related products are under pre-clinical trial;

- The expected market penetration rate was based on the expected selling conditions considering the features of marketing and technology development;

- The discount rate used is pre-tax and reflect market assessments of time value and the specific risks relating to the industry; and

- The expected success rate of commercialisation by reference to practices of pharmaceutical industries, development of technologies and related regulations from administrations.

The range of key parameters used for recoverable amount calculations of in-licenses not ready for use are as follows:

	As at December 31,	
	2025	2024
The year for the commencement of generating cash flow	**2028–2034**	2025–2034
The year achieved peak sales	**2037–2042**	2037–2042
Expected annual growth rates till the year achieved peak sales	**3.0%–631.7%**	3.0%–631.7%
Expected market penetration rate	**0.5%–27.3%**	0.5%–27.3%
Pre-tax discount rate	**15.2%–15.6%**	15.1%–16.9%

18. IMPAIRMENT TESTING ON INTANGIBLE ASSETS NOT READY FOR USE *(CONTINUED)*

IMPAIRMENT TEST *(CONTINUED)*

The range of key parameters used for recoverable amount calculations of capitalised development costs not ready for use are as follows:

	As at December 31, 2025	2024
The year for the commencement of generating cash flow	**2026–2027**	2026
Expected annual growth rates till 2035	**–73.4%–50.0%**	20.6%–49.1%
Expected market penetration rate	**10.0%–19.6%**	10.0%–19.6%
Pre-tax discount rate	**18.0%**	18.0%

The recoverable amount is significantly above the carrying amount of not ready for use. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

The revenue growth rate for the forecast period and budgeted gross margin were determined by the management based on their expectation for market and product development.

Based on the result of impairment test, there was no impairment for the above in-licenses and capitalised development costs not ready for use as at December 31, 2025 (2024: nil).

19. OTHER NON-CURRENT ASSETS

	As at December 31, 2025 RMB'000	2024 RMB'000
Prepayments for property, plant and equipment	**47**	2,830
Long-term deposits	**2,221**	2,221
	2,268	5,051

20. INVENTORIES

	As at December 31, 2025 RMB'000	2024 RMB'000
Raw materials and consumables	**1,565**	1,127
Work in progress	**1,894**	453
Finished goods	**2,840**	1,707
	6,299	3,287

21. TRADE RECEIVABLES

	As at December 31, 2025 RMB'000	2024 RMB'000
Trade receivables	10,409	10,875
Less: allowance for credit losses	3,705	2,158
	6,704	8,717

As at January 1, 2024, trade receivables from contracts with customers amounted to RMB36,552,000.

The following is an aged analysis of trade receivable net of allowance for credit losses presented based on invoice dates:

	As at December 31, 2025 RMB'000	2024 RMB'000
1 to 30 days	6,444	8,120
31 to 60 days	–	40
61 to 90 days	–	171
91 to 120 days	74	52
121 to 180 days	–	–
181 to 365 days	65	–
Over 365 days	121	334
	6,704	8,717

For the third parties, the Group normally grants a credit period of 30 to 60 days with third party customers effective from the date when the services have been completed or control of goods has been transferred to the customer and billed to the customer. For certain trade receivables balances which have been past due more than 90 days, the directors of the Company consider they are not in default since such balances could be recovered based on the historical repayment pattern of overdue trade receivables and the financial conditions of corresponding customers.

Details of ECL assessment of trade receivables are set out in Note 37(b).

22. PREPAYMENTS AND OTHER RECEIVABLES

	As at December 31, 2025 RMB'000	2024 RMB'000
Prepayments for purchase of materials and research and development services	2,464	4,415
Deferred issue costs	–	3,253
Other receivables	–	84
Less: allowance for credit losses	–	4
	–	80
Deposits	253	210
Prepayments for short-term rental and property management fee	143	2
	2,860	7,960

23. CONTRACT ASSETS

	As at December 31, 2025 RMB'000	2024 RMB'000
CRO services		
Contract assets	1,435	1,528
Less: allowance for credit losses	1,435	387
	–	1,141

As at January 1, 2024, contract assets amounted to RMB2,414,000.

The contract assets primarily relate to the Group's right to consideration for work completed in connection to CRO services and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The contract assets represent the Group's rights to consideration for the services performed to date. Payment for CRO services is not due from the customer until the milestone criteria determined in the CRO contracts with the customers are met and therefore a contract asset is recognised over the period in which the CRO services are performed.

The Group classify these contract assets as current because the Group expect to realise them in its normal operating cycle.

Details of ECL assessment of contract assets are set out in Note 37(b).

24. FINANCIAL ASSETS AT FVTPL

	As at December 31, 2025 RMB'000	2024 RMB'000
Market funds, unlisted	69,464	–

On November 12, 2025, the Group subscribed two unlisted market funds, both are independent third parties, amounted to HK$63,897,000 and HK$63,897,000 (equivalent to RMB58,259,000 and RMB58,259,000), respectively. The underlying investments of these unlisted market funds are mainly short-term US treasury notes. These unlisted market funds can be redeemed within 5 working days upon request and at the full discretion of the Group. On December 30, 2025, approximately of HK$25,500,000 and HK$25,500,000 (equivalent to RMB23,174,000 and RMB23,174,000) were redeemed in these unlisted market funds, respectively.

For short-term investment purpose, in January 2026, the Group subscribed another two unlisted market funds, both are independent third parties, amounted to HK$35,124,000 and HK$16,000,000 (equivalent to RMB31,549,000 and RMB14,423,000), respectively. These unlisted market funds can be redeemed within 5 working days upon request and at the full discretion of the Group.

In the opinion of the board of directors, there is no side agreements or arrangements between the Company and all of the above unlisted market funds.

25. OTHER CURRENT ASSETS

	As at December 31, 2025 RMB'000	2024 RMB'000
VAT recoverable	27,997	17,162

26. BANK BALANCES AND CASH

	As at December 31, 2025 RMB'000	2024 RMB'000
Bank balances	447,968	121,116
Cash on hand	6	19
	447,974	121,135

The carrying amounts of the Group's bank balances and cash denominated in currencies other than functional currencies of the relevant group entities at the end of each reporting period are as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
United States Dollars ("US$")	91,430	892
HK$	173,097	–

Bank balances held by the Group carry interests at market rates ranging from 0.01% to 3.55% (2024: 0.20% to 1.35%) as at December 31, 2025.

27. TRADE AND OTHER PAYABLES

	As at December 31, 2025 RMB'000	2024 RMB'000
Trade payables for research and development expenses	5,871	3,502
Accrued research and development expenses	24,958	19,620
Payables for construction in progress	87,461	81,403
Accrued staff costs and benefits	11,333	9,107
Accrued listing expenses and issue costs	4,816	7,002
Accrued professional service fee for selling and administrative activities	23,670	–
Payables in respect of acquisition of intangible assets	18,575	2,750
Payables for machinery and equipment	477	977
Payables for property management fee and rental fee	2,314	286
Other tax payables	1,666	1,302
Deposits	3,399	2
Others	3	237
	184,543	126,188

27. TRADE AND OTHER PAYABLES *(CONTINUED)*

The following is an aged analysis of trade payables presented based on the invoice dates at the end of each reporting period:

	As at December 31, 2025 RMB'000	2024 RMB'000
Within 30 days	**4,766**	1,189
31 to 90 days	**132**	1,677
91 to 180 days	**–**	373
181 to 365 days	**1**	79
Over 365 days	**972**	184
	5,871	3,502

The average credit period granted by suppliers is normally 30 to 60 days.

28. CONTRACT LIABILITIES

	As at December 31, 2025 RMB'000	2024 RMB'000
CRO services	**5,543**	5,543
Sales of pharmaceutical products	**4,275**	183
	9,818	5,726

As at January 1, 2024, contract liabilities amounted to RMB6,961,000.

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the amount of milestone payment according to the payment schedule determined in the CRO service contract received by the Group exceeds the amount of the revenue could be recognised based on the proportion of completion of the CRO service rendered to date, this will give rise to contract liabilities. The stage milestone results in contract liabilities being carried forward to recognise as revenue when the performance obligation of corresponding CRO service is satisfied.

The Group's pharmaceutical products sales are primarily conducted on a "cash on delivery" basis. If customer payments are received prior to the customer's acceptance of the goods, contract liabilities will arise. Such contract liabilities will be transferred and recognized as revenue when the corresponding performance obligation for the sold goods is satisfied.

Revenue of RMB183,000 was recognised during the year ended December 31, 2025 (2024: RMB100,000), that was included in the contract liabilities at the beginning of the year.

The Group classify these contract liabilities as current because the Group expect to realise them in its normal operating cycle.

29. LEASE LIABILITIES

	As at December 31, 2025 RMB'000	2024 RMB'000
Lease liabilities payable:		
Within one year	**21,676**	13,967
Within a period of more than one year but not exceeding two years	**13,914**	9,807
Within a period of more than two years but not exceeding five years	**11,018**	18,548
	46,608	42,322
Less: Amount due for settlement within 12 months shown as current liabilities	**21,676**	13,967
Amount due for settlement after 12 months shown as non-current liabilities	**24,932**	28,355

The range of incremental borrowing rates applied to the lease liabilities is 3.45% to 4.30% (2024: 3.45% to 4.30%).

30. BORROWINGS

	As at December 31, 2025 RMB'000	2024 RMB'000
At amortised cost		
Bank loans	**571,619**	365,526
Other loan in respect of sale and leaseback arrangement (Note 16)	**28,347**	8,602
	599,966	374,128
Secured	**225,324**	158,834
Unsecured	**374,642**	215,294
	599,966	374,128

As at December 31, 2025 and 2024, secured bank loans are pledged by below assets owned by the Group:

	As at December 31, 2025 RMB'000	2024 RMB'000
Buildings	**235,058**	224,755
Land use rights	**80,591**	83,163
Construction in progress	**232,445**	63,630
Machinery and equipment	**14,339**	16,391
	562,433	387,939

30. BORROWINGS *(CONTINUED)*

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
The carrying amounts of the above borrowings are repayable:		
Within one year	**307,777**	151,968
Within a period of more than one year but not exceeding two years	**127,615**	145,489
Within a period of more than two year but not exceeding five years	**164,574**	76,671
	599,966	374,128
Less: Amount due within one year shown under current liabilities	**307,777**	151,968
Amount shown under non-current liabilities	**292,189**	222,160

The Group's variable-rate borrowings carry interest at Loan Prime Rate ("LPR"). Interest rates are reset every year.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	Year ended December 31, 2025	2024
Effective interest rate:		
Fixed-rate borrowings	**3.00% to 3.60%**	3.00% to 4.15%
Variable-rate borrowings	**2.65% to 4.00%**	2.80% to 5.40%

The exposure of the Group's borrowings are as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
Fixed-rate borrowings	**114,976**	118,983
Variable-rate borrowings	**484,990**	255,145

31. DEFERRED INCOME

	As at December 31, 2025 RMB'000	2024 RMB'000
Government grants related to property, plant and equipment (Note (i))	12,687	13,054
Other subsidy (Note (ii))	–	12,900
	12,687	25,954
Less: Amount due within one year shown under current liabilities	411	13,079
Amount shown under non-current liabilities	12,276	12,875

Notes:

(i) The Group received government grants for capital expenditure incurred for the purpose of compensation for construction in progress of the Group.

(ii) Other subsidy is provided in relation to the research and development activities of the Company.

32. SHARE CAPITAL

	Number of shares	Nominal value of shares RMB'000
Ordinary shares of RMB1 each		
Authorised and issued		
As at January 1, 2024	6,361,242	6,361
Issue of Series C Shares (Note (i))	239,482	240
As at December 31, 2024	6,600,724	6,601
Share Conversion (Note (ii))	143,399,276	143,399
Issue of shares upon IPO (Note (iii))	17,597,800	17,598
As at December 31, 2025	167,597,800	167,598

Notes:

(i) In 2024, the Company entered into share subscription agreements with several independent investors and a relative investor ("Series C Investors"), pursuant to which the investors shall make an aggregate investment of RMB160,000,000 in the Company as consideration for the subscription of 239,482 new ordinary shares issued by the Company. As at December 31, 2024, the Company had received the total proceeds of RMB160,000,000 for Series C shares.

A certain Series C Investor was entitled to a redemption right and the Company was liable for the redemption obligation, pursuant to which the investment from the Series C Investor was recognised as financial liabilities at amortised cost until the Company signed a supplementary agreement with the Series C Investor on December 23, 2024, to terminate the redemption right, which will not be reinstated. The amounts of the financial liabilities at amortised cost of RMB51,875,000 as at the termination date were derecognised and credited to other reserve in December 2024.

32. SHARE CAPITAL *(CONTINUED)*

Notes: *(CONTINUED)*

(ii) On January 13, 2025, the Company passed a shareholders' resolution to increase the share capital of the Company from RMB6,601,000 to RMB150,000,000 with the increased share capital of approximately RMB143,399,000 from the share premium converted into 143,399,276 ordinary shares of RMB1 par value each, which were subscribed by and issued to the then shareholders of the Company in proportion to their respective equity interest in the Company (the "Share Conversion").

(iii) On November 6, 2025, the Company completed its global offering of 17,597,800 H shares with par value of RMB1 each at the offering price of HK$33.37 per H share and listed on the Main Board of the Stock Exchange. The gross proceeds from the Company's global offering were HK$587,240,000 (equivalent to RMB535,274,000). RMB17,597,800 was credited to the Company's share capital and the remaining balance was credited as share premium.

(iv) On October 9, 2025, the Company entered into some financing agreements with three independent third parties (the "Financial Service Providers"), pursuant to which the Financial Service Providers provide advisory services related to the Company's IPO, including identifying and introducing investors. In November 2025, the aggregate service fees amounted to approximately RMB33,428,000 were paid to these Financial Service Providers. In the opinion of the management, the service fees were considered as the incremental costs directly attributable to issue of shares in the Listing and shall be accounted for as a reduction from equity.

33. SHARE-BASED PAYMENT TRANSACTIONS

SUZHOU NANBOWAN RS SCHEME

In recognition of the contributions of certain eligible directors and employees, Dr. Shen, one of the founders of the Company established an employee stock ownership platform, namely Suzhou Nanbowan Enterprise Management Consulting Partnership (Limited Partnership)* (蘇州南博萬企業管理諮詢合夥企業(有限合夥)) ("Suzhou Nanbowan") in November 2018, to hold the Company's paid-in capital of RMB750,000, which was transferred from the founder, to implement restricted shares scheme ("Suzhou Nanbowan RS Scheme"). Under the Suzhou Nanbowan RS Scheme, eligible directors and employees shall subscribe for partnership interests of Suzhou Nanbowan at a consideration price of RMB1 for each RMB1 share capital and indirectly hold the incentive shares of the Company.

Pursuant to the Suzhou Nanbowan RS Scheme, the RSs granted shall be vested on the fourth anniversary date of the grant date. If the grantees terminate their labor relationships with the Group within the vesting period, the executive partner of Suzhou Nanbowan who is one of the founders of the Company, or a third party designated by the executive partner shall buy back the unvested RSs at original consideration plus interests at 10% per annum.

Details of the unvested restricted shares as at December 31, 2025 and 2024 under the Suzhou Nanbowan RS Scheme are as follows:

Grant date	Amount of share capital As at December 31, 2025 RMB'000	2024 RMB'000	Grantee
June 28, 2021	–	350	A director

* *English name is for identification purpose only.*

33. SHARE-BASED PAYMENT TRANSACTIONS *(CONTINUED)*

SUZHOU NANBOWAN RS SCHEME *(CONTINUED)*

The following table discloses the movement of the restricted shares under the Suzhou Nanbowan RS Scheme during the year:

	Unvested share capital '000	Weighted average grant date fair value per share capital RMB
Unvested as at January 1, 2024, December 31, 2024	350	168.54
Impact of the Share Conversion	7,604	
Vested during year	(7,954)	
Unvested as at December 31, 2025	–	

FAIR VALUE OF RSS GRANTED UNDER THE SUZHOU NANBOWAN RS SCHEME

Back-solve method was used to determine the underlying equity fair value of the Company and equity allocation method was used to determine the fair value of the RSs granted. The fair value of shares at grant date was valued by directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA. The fair value of RSs at grant date was determined by taking into account of the fair value of the equity of the Company amounting to RMB169.54 per share and the purchase price of the RS is RMB1 per share. The inputs into the model were as follows:

	June 28, 2021
Expected volatility	46.87%
Risk-free rate	2.57%

The Group has recognised share-based payment expenses of RMB7,373,000 under the Suzhou Nanbowan RS Scheme for the year ended December 31, 2025 (2024: RMB14,745,000).

PRE-IPO RESTRICTED SHARE SCHEME

In recognition of the contributions of certain eligible directors and employees and to incentivise them to further promote the Group's development, Dr. Shen established another employee stock ownership platform, namely Suzhou Hesheng Enterprise Management Consulting Partnership Enterprise (Limited Partnership)* (蘇州合升企業管理諮詢合夥企業(有限合夥)) ("Suzhou Hesheng") in June 2021, to hold the Company's paid-in capital of RMB865,385, which was transferred from Dr. Shen, who is the one of the founders of the Company, to implement employee incentive plan. Upon the Company converted into a joint stock company on March 10, 2023, Suzhou Hesheng held 865,385 ordinary shares of the Company with a nominal value of RMB1 each.

* *English name is for identification purpose only.*

33. SHARE-BASED PAYMENT TRANSACTIONS *(CONTINUED)*

PRE-IPO RESTRICTED SHARE SCHEME *(CONTINUED)*

As approved by the Company's shareholders on January 13, 2025, the Company adopted a restricted share scheme, pursuant to which a total number of 521,313 restricted shares (before the Share Conversion as disclosed in Note 32) under Suzhou Hesheng, representing 7.8978% of the total number of ordinary shares of the Company, shall be granted to its directors, supervisors, senior management and core employees (the "Grantees") of the Group (the "Pre-IPO Restricted Share Scheme"). On January 15, 2025, all the restricted shares under the Pre-IPO Restricted Share Scheme had been granted to the Grantees. Under the Pre-IPO Restricted Share Scheme, a total of 222,813 restricted shares were granted to eligible directors, supervisors, and employees through the direct transfer of respective shares of the Company from Suzhou Hesheng to the Grantees at the price of RMB6 for each restricted share. The other eligible employees subscribed for partnership interests of Suzhou Hesheng at a consideration price of RMB6 for each share of the Company and indirectly hold a total of 298,500 incentive shares of the Company. The remaining 344,072 shares of the Company under Suzhou Hesheng had been transferred back to Dr. Shen.

Pursuant to the Pre-IPO Restricted Share Scheme, the granted restricted shares shall be vested in four tranches: (i) 25% vested on December 31, 2025; (ii) 25% vested on December 31, 2026; (iii) 25% vested on December 31, 2027; and (iv) 25% vested on December 31, 2028. If the grantees terminate their labor relationships with the Group within the vesting period, Dr. Shen or a third party designated by him shall buy back the unvested RSs at original consideration plus interests at 4% per annum.

After considering the impact of the Share Conversion as disclosed in Note 32, details of the granted restricted shares as at December 31, 2025 under the Pre-IPO Restricted Share Scheme are as follows:

Grant date	Amount of share capital RMB'000	Grantee
January 15, 2025	1,363	Directors
January 15, 2025	398	Supervisors
January 15, 2025	1,193	Senior managements
January 15, 2025	8,893	Other employees

One eligible employee left the Company in December 2025, and 5,000 restricted shares awarded to this employee were reallocated.

The following table discloses the movement of the restricted shares under the Pre-IPO Restricted Share Scheme during the year:

	Unvested shares '000	Weighted average grant date fair value per share RMB
Unvested as at January 1, 2025	–	–
Granted during year	526	662.14
Impact of the Share Conversion	11,326	
Vested during year	(2,962)	
Forfeited during year	(5)	
Unvested as at December 31, 2025	8,885	29.14

33. SHARE-BASED PAYMENT TRANSACTIONS *(CONTINUED)*

PRE-IPO RESTRICTED SHARE SCHEME *(CONTINUED)*

FAIR VALUE OF RSS GRANTED UNDER THE PRE-IPO RESTRICTED SHARE SCHEME

The Group used the back-solve method to determine the underlying equity fair value of the Company. The fair value of RS at grant date was determined to be RMB662.14 per RMB1 share capital, by referring to the equity fair value of the Company and the purchase price of the RS of RMB6 per share. The foresaid fair value of RS at date of grant was valued by directors of the Company with reference to valuation reports carried out by AVISTA. The inputs into the model were as follows:

	January 15, 2025
Expected volatility	47.97%
Risk-free rate	1.26%

The Group has recognised share-based payment expenses of RMB176,799,000 under the Pre-IPO Restricted Share Scheme for the year ended December 31, 2025 (2024: nil).

The total share-based payment expenses in relation to the restricted shares granted by the Company recognised for the years are as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Research and development expenses	76,462	–
Administrative expenses	104,207	14,745
Selling expenses	3,503	–
	184,172	14,745

34. RELATED PARTY TRANSACTIONS

(a) RELATED PARTY TRANSACTIONS

(i) THE GROUP HAS THE FOLLOWING TRANSACTIONS WITH ITS FELLOW SUBSIDIARIES UNDER THE COMMON CONTROL OF THE FOUNDER OF THE COMPANY DURING THE REPORTING YEAR.

Purchase of pharmaceutical ingredient with ancillary service from a related party

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Topharman Shandong	3,288	2,927

34. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(a) RELATED PARTY TRANSACTIONS *(CONTINUED)*

(i) THE GROUP HAS THE FOLLOWING TRANSACTIONS WITH ITS FELLOW SUBSIDIARIES UNDER THE COMMON CONTROL OF THE FOUNDER OF THE COMPANY DURING THE REPORTING YEAR. *(CONTINUED)*

Purchase of in-licenses from a related party

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Topharman Shandong	1,750	–
Topharman Shanghai	2,500	–
Total	4,250	–

Interests on loan from a related party

	Year ended December 31, 2025 RMB'000	2024 RMB'000
Topharman Shanghai	289	385

(ii) AS AT THE END OF THE YEAR, THE GROUP HAD BALANCES WITH RELATED PARTIES AS FOLLOWS, WHICH ARE ALL UNSECURED, AS FOLLOWS:

Trade payables

	As at December 31, 2025 RMB'000	2024 RMB'000
Topharman Shandong	11,315	7,991
Topharman Shanghai	5,250	2,750
	16,565	10,741

Amounts due to a related party

	As at December 31, 2025 RMB'000	2024 RMB'000
Topharman Shanghai (Note)	–	11,267

Note: The amounts due to Topharman Shanghai as at December 31, 2024 are loans from Topharman Shanghai to Nantong Hefeng Lianwang Pharmaceutical Technology Co., Ltd.* (南通和風連旺醫藥科技有限公司) ("Nantong Hefeng"), a non-wholly owned subsidiary of the Company, with a fixed interest rate of 3.85%. As at December 31, 2025, the Group had settled such non-trade related amounts due to a related party.

* *English name is for identification purpose only.*

34. RELATED PARTY TRANSACTIONS *(CONTINUED)*

(b) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and supervisors of the Company and other members of key management was as follows:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Salaries and other benefits	**4,989**	5,043
Retirement benefit scheme contribution	**401**	393
Discretionary bonus (Note)	**1,541**	677
Share-based payments	**51,650**	14,745
	58,581	20,858

Note: Discretionary bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

35. CAPITAL COMMITMENTS

Other than disclosed in Note 17, the capital commitments contracted but not provided in the consolidated financial statements are as below:

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– acquisition of property, plant and equipment	**116,032**	203,430

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to investors through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the years.

The capital structure of the Group consists of net debts, which includes amounts due to a related party disclosed in Note 34(ii), lease liabilities disclosed in Note 29 and borrowings disclosed in Note 30, net of bank balances and cash disclosed in Note 26 and equity attributable to owners of the Company, comprising share capital, reserves and non-controlling interests.

The management of the Group reviews the capital structure regularly. As part of this review, the management of the Group considers the cost of capital. Based on recommendation of the management of the Group, the Group will balance its overall capital structure through the new share issues or issue of new debt.

37. FINANCIAL INSTRUMENTS

(a) CATEGORIES OF FINANCIAL INSTRUMENTS

	As at December 31, 2025 RMB'000	2024 RMB'000
Financial assets		
Amortised cost	**457,152**	132,363
FVTPL	**69,464**	–
Financial liabilities		
Amortised cost	**718,066**	474,552

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade receivables, other receivables, long-term deposits, bank balances and cash, trade and other payables, amounts due to a related party, financial assets at FVTPL, lease liabilities and borrowings. Details of these financial assets and liabilities are disclosed in respective notes.

The risks associated with the financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

MARKET RISK

The Group's activities expose it primarily to currency risk and interest rate risk. There has been no change in the Group's exposure to these risks or the manner in which it manages and measures the risks.

(i) Currency risk

Certain financial assets and liabilities are denominated in foreign currencies of respective group entities which are exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currencies denominated monetary assets and liabilities are as follows:

	As at December 31, 2025 RMB'000	2024 RMB'000
Assets		
US$	**91,430**	1,238
HK$	**173,097**	–
	264,527	1,238

37. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

MARKET RISK *(CONTINUED)*

(i) Currency risk (CONTINUED)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against foreign currencies, the foreign currencies with which the Group may have a material exposure. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis uses outstanding foreign currencies denominated monetary items as a base and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates an increase in loss where RMB strengthens 5% against foreign currencies. For a 5% weakening of RMB against foreign currencies, there would be an equal and opposite impact on the profit or loss for the respective years.

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Profit or loss	**(13,226)**	(62)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (Note 29) and fixed-rate borrowings (Note 30) and cash flow interest rate risk in relation to bank balances (Note 26) and variable-rate borrowings (Note 30). The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting year. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting year were outstanding for the whole year. A 50 basis point increase or decrease in variable-rate bank borrowings are used which represents management's assessment of the reasonably possible change in interest rates. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the year ended December 31, 2025 would increase/decrease by and RMB2,425,000 (2024: RMB1,276,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

CREDIT RISK AND IMPAIRMENT ASSESSMENT

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, other receivables, contract assets and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

37. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

CREDIT RISK AND IMPAIRMENT ASSESSMENT *(CONTINUED)*

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management of the Group consider that the Group's credit risk is significantly reduced.

There is no concentration of credit risk with respect to the Group's total trade receivables (2024: 52%).

The Group performs impairment assessment under ECL model on trade receivable and contract assets balances individually and collectively. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables and contract assets balances are assessed collectively, based on the past default experience of the debtor, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forward-looking information that is available without undue cost or effort at the end of the reporting period.

Other receivables and long-term deposits

For other receivables, the management makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Bank balances

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ contract assets	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL-not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL-not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL-not credit-impaired	Lifetime ECL-not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL-credit-impaired	Lifetime ECL-credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

37. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

CREDIT RISK AND IMPAIRMENT ASSESSMENT *(CONTINUED)*

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes	Internal credit rating	12m or lifetime ECL	Gross carrying amounts The Group As at December 31, 2025 RMB'000	2024 RMB'000
Financial assets at amortised cost					
Trade receivables	21	Low risk	Lifetime ECL-not credit-impaired	**6,739**	7,522
		Doubtful	Lifetime ECL-not credit-impaired	**–**	2,900
		Loss	Lifetime ECL-credit – impaired	**3,670**	453
Other receivables and deposits	22	Low risk	12m ECL	**253**	294
Long-term deposits	19	Low risk	12m ECL	**2,221**	2,221
Bank balances	26	N/A	12m ECL	**447,968**	121,116
Other item					
Contract assets	23	Low risk	Lifetime ECL-not credit-impaired	**–**	1,155
		Loss	Lifetime ECL-credit-impaired	**1,435**	373

As part of the Group's credit risk management, the Group uses internal credit ratings to assess the impairment for its customers in relation to its operation of out-licensing income, CRO service income and sales of pharmaceutical products.

Debtors with significant outstanding balances and with different credit risk characteristics with gross carrying amounts of trade receivables of RMB3,670,000 (2024: RMB8,984,000) as at December 31, 2025 was assessed individually by the Group. Debtors with different credit risk characteristics with gross carrying amounts of contract assets of RMB1,435,000 (2024: nil) as at December 31, 2025 was assessed individually by the Group. The remaining trade receivables and contract assets were assessed collectively.

As at December 31, 2025 and 2024, the credit loss rate of trade receivable and contract assets collectively assessed by the Group is as follows:

	As at December 31, 2025 %	2024 %
Trade receivables	**0.52**	1.85
Contact assets	**N/A**	1.24

37. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

CREDIT RISK AND IMPAIRMENT ASSESSMENT *(CONTINUED)*

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at December 31, 2025, the Group provided RMB35,000 (2024: RMB35,000) impairment allowance for trade receivables based on collective assessment. Impairment allowance of RMB3,670,000 (2024: RMB2,123,000) were made on trade receivables with different credit risk characteristics assessed individually by the Group as at December 31, 2025.

As at December 31, 2025, the Group provided no impairment allowance for contract assets based on collective assessment (2024: RMB14,000). Impairment allowance of RMB1,435,000 (2024: RMB373,000) were made on contract assets with different credit risk characteristics assessed individually by the Group as at December 31, 2025.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach.

	Lifetime ECL-not credit-Impaired RMB'000	Lifetime ECL-credit-impaired RMB'000	Total RMB'000
As at January 1, 2024	3,190	–	3,190
– Transfer to credit-impaired	(2,288)	2,288	–
– Impairment losses recognised	1,321	2,079	3,400
– Impairment losses reversed	(504)	–	(504)
– Impairment losses write-off	–	(3,541)	(3,541)
As at December 31, 2024	**1,719**	**826**	**2,545**
– Transfer to credit-impaired	**(1,672)**	**1,672**	**–**
– Impairment losses recognised	**–**	**3,197**	**3,197**
– Impairment losses reversed	**(12)**	**–**	**(12)**
– Impairment losses write-off	**–**	**(590)**	**(590)**
As at December 31, 2025	**35**	**5,105**	**5,140**

37. FINANCIAL INSTRUMENTS *(CONTINUED)*

(b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(CONTINUED)*

LIQUIDITY RISK

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors the utilisations of bank borrowings and relies on issuance of ordinary shares and utilisations of bank facilities as significant sources of liquidity.

The following table details the Group's remaining contractual maturity for its financial liabilities and lease liabilities based on agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
As at December 31, 2025							
Trade and other payables	–	118,100	–	–	–	118,100	118,100
Borrowings	3.17	322,524	134,821	170,390	–	627,735	599,966
Lease liabilities	3.92	22,921	14,626	11,222	–	48,769	46,608
		463,545	149,447	181,612	–	794,604	764,674

	Weighted average effective interest rate %	Within 1 year and on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000	Carrying amount RMB'000
As at December 31, 2024							
Trade and other payables	–	89,157	–	–	–	89,157	89,157
Borrowings	3.72	163,414	151,565	77,852	–	392,831	374,128
Lease liabilities	4.07	15,362	10,753	19,244	–	45,359	42,322
Amounts due to a related party	3.85	11,555	–	–	–	11,555	11,267
		279,488	162,318	97,096	–	538,902	516,874

37. FINANCIAL INSTRUMENTS *(CONTINUED)*

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets at FVTPL held by the Group as at December 31, 2025 consisted of investment in unlisted funds. The following table gives information about how the fair value of the financial assets are determined (in particular, the valuation techniques and inputs used).

Financial assets	Fair value as at 31 December 2025 RMB'000	2024 RMB'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input
Financial assets at FVTPL	69,464	–	Level 2	Based on the net asset values of the products, which are determined with reference to observable and quoted prices of underlying investment portfolio and adjustments of related expenses.	N/A

Reconciliation of Level 3 fair value measurements of financial assets:

	Financial assets at FVTPL RMB'000
As at January 1, 2024	–
Fair value gain:	
– in profit or loss	218
Purchased	125,000
Disposals	(125,218)
As at December 31, 2024 and 2025	–

37. FINANCIAL INSTRUMENTS *(CONTINUED)*

(c) FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(CONTINUED)*

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS (BUT FAIR VALUE DISCLOSURES ARE REQUIRED)

The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

38. RETIREMENT BENEFIT PLANS

The employees of the Group in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The PRC entities are required to contribute, based on a certain percentage of the payroll costs of their employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss is RMB7,680,000 for the year ended December 31, 2025 (2024: RMB7,498,000).

39. PARTICULARS OF SUBSIDIARIES

During the reporting year, the Company has direct equity interests in the following subsidiaries:

Name of subsidiaries	Place/country and date of establishment incorporation and kind of legal entity	Paid-in capital/registered capital	Equity interest attributable to the Company As at December 31, 2025	2024	Principal activities
旺山旺水(連雲港)製藥有限公司 Vigonvita (Lianyungang) Pharmaceutical Co., Ltd.* (Note (i))	The PRC/ December 6, 2019 /Limited liability company	RMB100,000,000/ RMB100,000,000	**100%**	100%	Production and commercialisation of innovative drugs
南通和風連旺醫藥科技有限公司 Nantong Hefeng Lianwang Pharmaceutical Technology Co., Ltd.*	The PRC/ October 10, 2020 /Limited liability company	RMB10,204,082/ RMB10,204,082	**51%**	51%	Research, development and commercialisation of innovative drugs
Vigonvita Tashkent LLC	Uzbekistan/ May 12, 2021 /Limited liability company	UZS5,280,000,000/ UZS5,280,000,000	**100%**	100%	Sales of pharmaceutical drugs
旺山旺水(上海)生物醫藥有限公司 Vigonvita (Shanghai) Life Sciences Co., Ltd.*	The PRC/ August 19, 2022 /Limited liability company	RMB10,000,000/ RMB10,000,000	**100%**	100%	Research, development of innovative drugs
英久健康諮詢(蘇州)有限公司 Yingjiu Health Consulting (Suzhou) Co., Ltd.*	The PRC/ December 6, 2023 /Limited liability company	RMB1,000,000/ RMB1,000,000	**100%**	100%	Sales and marketing management
青島安泰如山生物醫藥有限公司 Qingdao Antairushan Life Sciences Co., Ltd.* ("Vigonvita Qingdao") (Note (ii))	The PRC/ April 28, 2024 /Limited liability company	RMB20,000,000/ RMB50,000,000	**90%**	90%	Production and commercialisation of innovative drugs
昂維他(北京)生物醫藥科技有限公司 Angweita (Beijing) Biopharmaceutical Technology Co., Ltd.*	The PRC/ July 25, 2025 /Limited liability company	RMB nil/RMB1,000,000	**100%**	N/A	Investment holding

39. PARTICULARS OF SUBSIDIARIES *(CONTINUED)*

Notes:

(i) On November 1, 2024, the Company signed an agreement with the non-controlling shareholder of Vigonvita Lianyungang to acquire the remaining 20% equity interest in Vigonvita Lianyungang from its non-controlling shareholder at a cash consideration of RMB8,500,000. As at December 31, 2024, the Company owns the entire equity interest in Vigonvita Lianyungang.

(ii) Vigonvita Qingdao was wholly invested by the Company and incorporated in April 2024. On June 26, 2024, the Company signed an agreement with an independent third party to transfer 10% equity interest in Vigonvita Qingdao to the independent third party at a cash consideration of RMB100,000 representing 10% of the paid-in capital of Vigonvita Qingdao as at May 31, 2024. Afterwards, the Company and the non-controlling shareholder further injected the paid-in capital into Vigonvita Qingdao in proportion to their respective equity interest. As at December 31, 2025, the paid-in capital of Vigonvita Qingdao was RMB20,000,000. On January 22, 2026, the Company acquired an additional 20% equity interest in Vigonvita Qingdao for RMB2,000,000, resulting in 100% ownership.

(iii) None of the subsidiaries has issued any debt securities as at December 31, 2025.

* *English name is for identification purpose only.*

40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Lease liabilities RMB'000	Borrowings RMB'000	Financial liability at amortised cost RMB'000	Amount due to a related party RMB'000	Accrued issue costs RMB'000	Total RMB'000
As at January 1, 2024	41,502	279,526	–	10,882	–	331,910
Financing cash flow	(12,113)	81,645	50,000	–	(848)	118,684
Non-cash changes:						
Finance costs	1,748	12,156	1,875	385	–	16,164
Interests capitalised in the cost of construction in progress	–	801	–	–	–	801
New leases entered	14,470	–	–	–	–	14,470
Lease modification	(3,285)	–	–	–	–	(3,285)
Reclassification of financial liabilities at amortised cost	–	–	(51,875)	–	–	(51,875)
Deferred issue costs recognised	–	–	–	–	3,253	3,253
As at December 31, 2024	**42,322**	**374,128**	**–**	**11,267**	**2,405**	**430,122**
Financing cash flow	**(8,046)**	**209,689**	**–**	**(11,556)**	**(65,031)**	**125,056**
Non-cash changes:						
Finance costs	**1,399**	**11,670**	**–**	**289**		**13,358**
Interests capitalised in the cost of construction in progress	**–**	**4,479**	**–**	**–**		**4,479**
New leases entered	**10,933**	**–**	**–**	**–**		**10,933**
Deferred issue costs recognised	**–**	**–**	**–**	**–**	**63,835**	**63,835**
As at December 31, 2025	**46,608**	**599,966**	**–**	**–**	**1,209**	**647,783**

41. MAJOR NON-CASH TRANSACTIONS

During the year, the Group entered into new lease agreements for office premises for 3 to 6 years. On the lease commencement, the Group recognised right-of-use assets amounted to RMB10,933,000 (2024: RMB14,470,000) with lease liabilities amounted to RMB10,933,000 (2024 RMB14,470,000) during the year ended December 31, 2025.

42. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY

	As at December 31, 2025 RMB'000	2024 RMB'000
Non-current assets		
Property, plant and equipment	236,468	68,608
Right-of-use assets	62,585	56,934
Intangible assets	68,436	53,492
Amounts due from subsidiaries	252,463	209,478
Interests in subsidiaries	210,935	64,707
Other non-current assets	140	2,656
	831,027	455,875
Current assets		
Inventories	6,779	1,068
Trade receivables	15,873	9,082
Prepayments and other receivables	3,179	7,261
Contract assets	–	1,141
Financial assets at FVTPL	69,464	–
Other current assets	20,877	13,281
Bank balances and cash	443,399	95,369
	559,571	127,202
Current liabilities		
Trade and other payables	149,280	53,534
Contract liabilities	9,668	5,576
Lease liabilities	7,088	3,393
Borrowings	243,739	91,965
Deferred income	–	12,900
	409,775	167,368
Net current assets (liabilities)	149,796	(40,166)
Total assets less current liabilities	980,823	415,709
Non-current liabilities		
Lease liabilities	6,370	–
Borrowings	249,042	152,171
	255,412	152,171
Net assets	725,411	263,538
Capital and reserves		
Share capital	167,598	6,601
Reserves	557,813	256,937
Total equity	725,411	263,538

42. STATEMENT OF FINANCIAL POSITION AND RESERVE OF THE COMPANY *(CONTINUED)*

	Share premium RMB'000	Other reserve RMB'000	Share-based payments reserve RMB'000	Retained Earnings (accumulated losses) RMB'000	Total RMB'000
As at January 1, 2024	176,701	–	15,973	58,695	251,369
Loss for the year	–	–	–	(170,812)	(170,812)
Issue of Series C shares	159,760	–	–	–	159,760
Recognition of redemption liabilities on Series C financing	–	(50,000)	–	–	(50,000)
Reclassification of financial liabilities at amortised cost as equity	–	51,875	–	–	51,875
Recognition of equity-settled share-based payments	–	–	14,745	–	14,745
As at December 31, 2024	**336,461**	**1,875**	**30,718**	**(112,117)**	**256,937**
Loss for the year	**–**	**–**	**–**	**(190,485)**	**(190,485)**
Share Conversion	**(143,399)**	**–**	**–**	**–**	**(143,399)**
Issue of shares upon IPO	**517,676**	**–**	**–**	**–**	**517,676**
Transaction costs attributable to issue of shares	**(67,088)**	**–**	**–**	**–**	**(67,088)**
Recognition of equity-settled share-based payments	**–**	**–**	**184,172**	**–**	**184,172**
Vested Restricted Shares	**124,392**	**–**	**(124,392)**	**–**	**–**
As at December 31, 2025	**768,042**	**1,875**	**90,498**	**(302,602)**	**557,813**

43. SUBSEQUENT EVENTS

Subsequent to the end of the reporting period, the Group subscribed another two unlisted market funds in January 2026 as detailed in Note 24.

In addition, the Company in January 2026 advanced an one-year loan to an independent third party in the principal amount of approximately HK$47.3 million (equivalent to approximately RMB42.6 million), which carries a fixed interest rate of 2.5% per annum and is secured by a deposit of an equivalent amount received from another independent third party. Such deposit would be released upon settlement of the related loan. The Company has full discretion to recall the loan any-time before maturity and the management expects the short-term loan will be settled prior to June 30, 2026.

On March 19, 2026, an extraordinary general meeting (the "EGM") of the Company approved to adopt the H Share Award Scheme. The purposes and objectives of the H Share Award Scheme are to recognize the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group.

The maximum number of Awarded Shares (excluding the Awarded Shares lapsed in accordance with the terms of the H Share Award Scheme) which may be awarded under the H Share Award Scheme shall not exceed 8,379,890 H Shares, representing approximately 5.0% of the total issued shares of the Company as at March 19, 2026.

FINANCIAL SUMMARY

As at December 31, 2025

FINANCIAL HIGHLIGHTS FOR THE LAST THREE YEARS* ENDED DECEMBER 31, 2025

	For the Year ended December 31/As at December 31		
	2025	2024	2023
	RMB'000	RMB'000	RMB '000
OPERATING RESULTS			
Revenue	**102,096**	11,832	199,651
Cost of sales	**-21,417**	-8,345	-6,014
Gross profit	**80,679**	3,487	193,637
Other income	**17,037**	8,052	5,974
Other gains (losses)	**-3,204**	211	222
Research and development expense	**-202,502**	-134,863	-131,297
Administrative expenses	**-163,775**	-65,071	-51,187
Selling expenses	**-45,495**	-4,321	-1,322
Impairment losses under ECL model, net of reversal	**-3,180**	-2,787	-2,400
Listing expenses	**-23,106**	-6,187	–
Finance cost	**-13,358**	-16,164	-7,200
Loss before tax	**-356,904**	-217,643	6,427
Income tax expense	**-206**	–	–
Loss for the year	**-357,110**	-217,643	6,427
Exchange differences arising on translation of a foreign operation	**82**	-222	-285
Total comprehensive expense for the year	**-357,028**	-217,865	6,142
FINANCIAL POSITION			
Non-current assets	**728,025**	566,554	510,112
Current assets	**561,298**	159,402	166,184
Total assets	**1,289,323**	725,956	676,296
Liabilities			
Non-current liabilities	**329,397**	263,390	202,371
Current liabilities	**524,225**	322,195	285,809
Total liabilities	**853,622**	585,585	488,180
Net assets	**435,701**	140,371	188,116

* The Company was listed on the Stock Exchange on November 6, 2025, no financial information for the years ended December 31, 2022 and 2021 has been published.

DEFINITIONS

In this annual report, unless the context otherwise requires, the following terms and expressions have the following meanings:

"active pharmaceutical ingredient"	the substance in a pharmaceutical product that is biologically active
"adverse reaction"	unintended, harmful events attributed to the use of medicines
"AGM"	the 2025 annual general meeting of the Company to be held on Friday, June 26, 2026 or any adjournment thereof
"Angweita (Beijing)"	Angweita (Beijing) Biopharmaceutical Technology Co., Ltd. (昂維他(北京)生物醫藥科技有限公司), a limited liability company established under the laws of PRC on July 25, 2025, being a wholly-own subsidiary of our Company
"antidepressant"	a drug used to prevent or treat clinical depression
"Articles of Association"	the Articles of Association of Vigonvita Life Sciences Co., Ltd. (as amended, supplemented or otherwise modified from time to time)
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"bioavailability"	the fraction of an administered dose of drug that reaches systemic circulation, which is one of the principal pharmacokinetic properties of drugs
"Board"	the board of Directors of our Company
"CAGR"	compound annual growth rate, the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan
"CAS"	Chinese Academy of Sciences (中國科學院)
"CDE"	the Center for Drug Evaluation of NMPA, a division of the NMPA
"China" or "PRC" or "Chinese Mainland"	the People's Republic of China, but for the purpose of this annual report only, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan
"CIC"	China Insights Industry Consultancy Limited, an independent market research and consulting company
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "Vigonvita"	Vigonvita Life Sciences Co., Ltd. (蘇州旺山旺水生物醫藥股份有限公司), a joint stock limited company incorporated in the PRC, the H shares of which are listed on the Main Board of the Stock Exchange
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, but for the purpose of this annual report only, refers to Dr. Shen and his spouse, Ms. Jin Jie (金潔)
"Core Product(s)"	has the meaning ascribed to it under Chapter 18A of the Listing Rules; and for the purpose of this annual report only, refers to TPN171 (ED Indications) and LV232, respectively
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CRO(s)"	a contract research organization, who provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services outsourced on a contract basis
"dapoxetine"	a selective serotonin reuptake inhibitor (SSRI) used for the treatment of premature ejaculation (PE) in men ages 18 to 64 years old
"depressive disorder" or "depression"	a common mental disorder, involving a depressed mood or loss of pleasure or interest in activities for long periods of time
"Director(s)" or "our Director(s)"	the director(s) of our Company
"Dr. Shen"	Dr. Shen Jingshan (沈敬山), one of our founders and Controlling Shareholders of the Company
"enzyme"	a biological macromolecule that acts as a catalyst
"erectile dysfunction" or "ED"	a form of sexual dysfunction in males characterized by the persistent or recurring inability to achieve or maintain a penile erection with sufficient rigidity and duration for satisfactory sexual activity
"ESG"	environmental, social and governance
"first-line treatment"	the initial, or first treatment recommended for a disease or illness
"generic drug(s)"	a pharmaceutical that contains the same active ingredients as an original formulation and is comparable in dosage form, strength, quality, performance and intended use
"GMP"	Good Manufacturing Practice, guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (《中華人民共和國藥品管理法》) as part of quality assurance which aims to minimize the risks of contamination, cross contamination, confusion and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use

"Global Offering"	the Hong Kong Public Offering and the International Offering (both as defined in the Prospectus)
"gold standard"	the best available therapy, product or treatment
"Group", "our Group", "our", "we" or "us"	our Company and its subsidiaries
"H Share(s)"	overseas listed foreign share(s) with nominal value of RMB1.00 each in the ordinary share capital of our Company, which are listed and traded on the Main Board of the Stock Exchange and subscribed for and fully paid in HK dollars
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IASB"	International Accounting Standards Board
"IFRS"	the International Financial Reporting Standards as issued by the IASB, which comprise the IFRS Accounting Standards, International Accounting Standards, Interpretations developed by the IFRS Interpretations Committee or its predecessor body, the Standing Interpretations Committee
"IIEF-EF"	International Index of Erectile Function erectile function domain score
"IND"	investigational new drug, an application and approval process required before drug candidates may commence clinical trials
"inhibitor"	a chemical or substance added or applied to another substance to slow down a reaction or to prevent an unwanted chemical change
"Lianyungang Facility"	the manufacturing facility of the Group located in Lianyungang, Jiangsu Province
"Listing"	the listing of our H Shares on the Main Board of the Stock Exchange
"Listing Date"	November 6, 2025
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nantong Hefeng"	Nantong Hefeng Lianwang Pharmaceutical Technology Co., Ltd. (南通和風連旺醫藥科技有限公司), a limited liability company established under the laws of PRC on October 10, 2020, being a subsidiary of our Company
"NDA"	new drug application

"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	nomination Committee of the Board
"nucleoside"	a compound consisting of a purine or pyrimidine base linked to a pentose sugar, especially ribose or deoxyribose
"PDE5"	type-5 phosphodiesterase, a multidomain protein that functions as a dimer to hydrolyze cyclic guanosine monophosphate
"Phase I clinical trial(s)"	studies in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness
"Phase II clinical trial(s)"	phase II clinical trials test the new drug candidate on a larger group of patients, to gather information about whether it works and how well it works in the short-term
"Phase III clinical trial(s)"	phase III clinical trials are for a new drug candidate that has already passed phases I and II which test the new drug candidate in larger groups of patients, and compare the new drug candidate against an existing treatment or a placebo to see if it works better in practice and if it has important side effects
"pre-clinical studies"	pre-clinical studies testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials
"premature ejaculation" or "PE"	a male sexual dysfunction that occurs when a male expels semen soon after beginning sexual activity, and with minimal penile stimulation
"Prospectus"	the prospectus dated October 28, 2025 issued by the Company
"Qingdao Antai"	Qingdao Antai Rushan Biopharmaceutical Co., Ltd. (青島安泰如山生物醫藥有限公司), a limited liability company established under the laws of PRC on April 28, 2024, being a subsidiary of our Company
"Qingdao Facility"	the manufacturing facility under construction of the Group in Qingdao, Shandong Province
"Rebamipide"	an amino acid derivative of 2-(1H)-quinolinone, is used for mucosal protection, healing of gastroduodenal ulcers, and treatment of gastritis
"Remuneration and Appraisal Committee"	remuneration and appraisal Committee of the Board
"Reporting Period"	for the year ended December 31, 2025
"R&D"	research and development
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

"RNA"	a single-stranded molecule composed of four types of smaller molecules called ribonucleotide bases: adenine (A), cytosine (C), guanine (G), and uracil (U)
"RNA-dependent RNA polymerase" or "RdRp"	an enzyme that catalyzes the replication of RNA from an RNA template
"RSV"	respiratory syncytial virus, a contagious virus that causes infections of the respiratory tract
"schizophrenia"	a mental disorder characterized variously by hallucinations (typically, hearing voices), delusions, disorganized thinking and behavior, and flat or inappropriate affect
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shandong Topharman"	Shandong Topharman Pharmaceutical Co., Ltd. (山東特珐曼藥業有限公司), a limited liability company established under the laws of PRC on November 13, 2004, which is owned as to 96.00% and 4.00% by Dr. Shen and his spouse, Ms. Jin Jie (金潔)
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"Simcere Pharmaceutical"	Simcere Pharmaceutical Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2096), focuses on the therapeutic areas of neuroscience, anti-tumor, autoimmune and antiinfection, with a forward-looking layout of disease areas that may have significant clinical needs in the future
"sq.m."	square meter, a unit of area
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	supervisor(s) of our Company
"Supervisory Committee"	the supervisory committee of our Company
"Topharman Shanghai"	Topharman Shanghai Co., Ltd. (上海特化醫藥科技有限公司), a limited liability company established under the laws of PRC on March 8, 2000, which is owned as to 99.00% by Dr. Shen
"Treasury Share(s)"	has the meaning ascribed thereto under the Listing Rules
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction

"Unlisted Share(s)"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange, subscribed for and fully paid in RMB
"U.S. dollars," "US$" or "USD"	United States dollars, the lawful currency of the United States
"Vigonvita Lianyungang"	Vigonvita (Lianyungang) Pharmaceutical Co., Ltd. (旺山旺水(連雲港)製藥有限公司), a limited liability company established under the laws of PRC on December 6, 2019, being a wholly-own subsidiary of our Company
"Vigonvita Shanghai"	Vigonvita (Shanghai) Biopharmaceutical Co., Ltd. (旺山旺水(上海)生物醫藥有限公司), a limited liability company established under the laws of PRC on August 19, 2022, being a wholly-own subsidiary of our Company
"voltage-gated ion channels"	a class of transmembrane proteins that form ion channels that are activated by changes in a cell's electrical membrane potential near the channel
"Yingjiu Health"	Yingjiu Health Consulting (Suzhou) Co., Ltd. (英久健康諮詢(蘇州)有限公司), a limited liability company established under the laws of PRC on December 6, 2023, being a wholly-own subsidiary of our Company
"%"	per cent