



KELUN-BIOTECH
科伦博泰

四川科倫博泰生物醫藥股份有限公司

Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.

(於中華人民共和國註冊成立的股份有限公司)

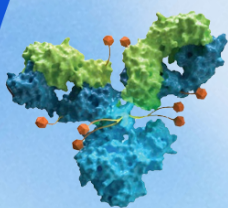
(A joint stock company incorporated in the People's Republic of China with limited liability)

股票代碼：6990

Stock Code: 6990

2026 半年報

Interim Report



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman of the Board and Non-executive Director

Mr. LIU Gexin (劉革新)

Executive Director

Dr. GE Junyou (葛均友)

Non-executive Directors

Mr. LIU Sichuan (劉思川)

Mr. LAI Degui (賴德貴)

Mr. FENG Hao (馮昊)

Ms. LIAO Yihong (廖益虹)

Mr. ZENG Xuebo (曾學波)

Independent Non-executive Directors

Dr. ZHENG Qiang (鄭強)

Dr. TU Wenwei (涂文偉)

Dr. JIN Jinping (金錦萍)

Dr. LI Yuedong (李越冬)

COMPANY SECRETARY

Mr. ZHOU Zejian (周澤劍)

Mr. CHUNG Ming Fai (鍾明輝)

(resigned with effect from July 11, 2026)

AUTHORIZED REPRESENTATIVES

Dr. GE Junyou (葛均友)

Mr. ZHOU Zejian (周澤劍)

(appointed with effect from July 11, 2026)

Mr. CHUNG Ming Fai (鍾明輝)

(resigned with effect from July 11, 2026)

AUDIT COMMITTEE

Dr. LI Yuedong (李越冬) (Chairperson)

Dr. TU Wenwei (涂文偉)

Dr. ZHENG Qiang (鄭強)

REMUNERATION COMMITTEE

Dr. ZHENG Qiang (鄭強) (Chairperson)

Mr. LIU Sichuan (劉思川)

Dr. JIN Jinping (金錦萍)

NOMINATION COMMITTEE

Mr. LIU Gexin (劉革新) (Chairperson)

Dr. TU Wenwei (涂文偉)

Dr. JIN Jinping (金錦萍)

AUDITOR

KPMG

*Public Interest Entity Auditor registered
in accordance with the Accounting and
Financial Reporting Council Ordinance*

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PRINCIPAL BANKS

Bank of China Limited
Chengdu Wenjiang Sub Branch

Industrial Bank Co., Ltd.
Chengdu Wenjiang Sub Branch

China CITIC Bank Corporation Ltd.
Chengdu Shuhan Sub Branch

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

HONG KONG LEGAL ADVISERS

Sullivan & Cromwell (Hong Kong) LLP

H SHARE REGISTRAR

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Services Limited
Shops 1712–1716
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183 Queen's Road East
Wanchai
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STOCK CODE

H Share: 06990

COMPANY'S WEBSITE

<https://kelun-biotech.com>

FINANCIAL AND BUSINESS HIGHLIGHTS

FINANCIAL HIGHLIGHTS

The independent auditor of the Company has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA.

	Six months ended June 30,		Period to period change
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)	
Revenue	978,340	950,445	2.9%
Gross profit	736,903	659,988	11.7%
Research and development expenses	(768,434)	(611,539)	25.7%
Profit/(loss) for the period	388,007	(145,175)	–
Adjusted Profit/(loss) for the period ¹	479,371	(69,398)	–

	As at June 30, 2026 (Unaudited)	As at December 31, 2025	
Cash and financial assets ²	4,783,102	4,559,358	4.9%
Total equity	5,336,851	4,867,070	9.7%
Debt-to-asset ratio ³	15.6%	18.7%	–

BUSINESS HIGHLIGHTS

Since the beginning of 2026, we have made encouraging progress in our business:

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

¹ Calculated by excluding equity-settled share-based payment from profit/(loss) for the period. The equity-settled share-based payment was RMB91.4 million and RMB75.8 million for the six months ended June 30, 2026 and 2025, respectively.

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

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

Our results from the Phase 3 study of sac-TMT in patients with previously treated locally recurrent or metastatic TNBC were presented at the ASCO Annual Meeting in May 2024 and *Nature Medicine* in April 2025. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in PFS and OS. The median PFS, as assessed by BICR, was 6.7 months (95% CI: 5.5, 8.0) with sac-TMT and 2.5 months (95% CI: 1.7, 2.7) with chemotherapy, and HR was 0.32 (95% CI: 0.24, 0.44, $p < 0.00001$), and the risk of disease progression or death was reduced by 68%. The median OS was 14.3 months with sac-TMT (95% CI: 11.2, NE) and 9.4 months with chemotherapy (95% CI: 8.5, 11.7), HR was 0.53 (95% CI: 0.36, 0.78, $p = 0.0006$), and the risk of death was reduced by 47%⁴. ORR was 45.4% with sac-TMT compared to 12% with chemotherapy. The subset of patients with high TROP2 expression (H-score > 200) had a higher median PFS (8.3 months) and ORR (52.1%) with sac-TMT.

In July 2026, the new indication application for sac-TMT monotherapy versus ICC for 1L advanced TNBC was accepted for review by the CDE of NMPA of China. This acceptance is based on the positive results from the OptiTROP-Breast03 registrational Phase 3 study, which is the first registrational Phase 3 clinical study of sac-TMT to achieve positive results in the first-line treatment of TNBC.

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

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

A Phase 3 registrational study of sac-TMT versus ICC for treatment of patients with unresectable locally advanced, recurrent or metastatic HR+/HER2- BC who received prior ET and did not receive prior chemotherapy is in progress.

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

⁴ Label of sac-TMT; clinical study report of SKB264-III-03.

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The final OS analysis, along with updated PFS and additional data from the pivotal study of sac-TMT for the treatment of 3L advanced EGFR-mutant NSCLC has been presented at the 2026 ELCC in March 2026. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in overall survival. In the docetaxel control group, 41.3% of patients crossed over to receive sac-TMT after disease progression. Without adjustment for subsequent sac-TMT treatment in the control group, median OS was 20.0 months vs 13.5 months (HR: 0.63, 95% CI: 0.40-0.98). Considering the impact of OS from crossover treatment in the control group, adjusted and analysed by the pre-specified RPSFT model, the median OS was 20.0 months in the sac-TMT group vs 11.2 months in the docetaxel group (HR: 0.45, 95% CI: 0.28-0.73), with 18-month OS rate of 54.7% and 9.1% respectively. Median PFS assessed by BIRC was 6.9 months and 2.8 months (HR=0.30, one-sided $p < 0.0001$)⁵.

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

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

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

- **EGFR-wild type NSCLC.** In May 2026, the new indication application for sac-TMT in combination with KEYTRUDA^{®6} (pembrolizumab), MSD's anti-PD-1 therapy, versus pembrolizumab for first-line treatment of adult patients with locally advanced or metastatic NSCLC who have PD-L1 TPS $\geq$ 1% and are EGFR-negative and ALK-negative was accepted for review by the CDE of NMPA of China. This acceptance is based on the positive results from the OptiTROP-Lung05 registrational Phase 3 study, which is the first Phase 3 clinical trial of ADC combined with immunotherapy to achieve its primary endpoint in the first-line treatment of NSCLC.

⁵ Fang W, et al. BMJ 2025; 389: e085680.

⁶ KEYTRUDA[®] (Pembrolizumab) is a registered trademark of MSD, a subsidiary of Merck & Co., Inc., Rahway, NJ, USA.

Our results from the Phase 3 study of sac-TMT in combination with pembrolizumab as a first-line treatment for PD-L1 TPS $\geq$ 1% NSCLC, as demonstrated below, were presented as an oral report at the ASCO Annual Meeting in May 2026 and published simultaneously online in The Lancet (Impact Factor=88.5):

- Significant PFS improvement: PFS assessed by BICR was significantly improved in the sac-TMT plus pembrolizumab group compared with the pembrolizumab group, with a median PFS of NR versus 5.7 months (HR=0.35; 95% CI: 0.26-0.47; $p<0.0001$);
- Substantially higher response rate: The ORR assessed by BICR was 70.2% in the sac-TMT plus pembrolizumab group versus 42.0% in the pembrolizumab group;
- Positive OS trend though immature (HR=0.55; 95% CI: 0.36-0.85);
- Consistent benefit across prespecified subgroups: the HR for PFS in patients with PD-L1 TPS 1-49% and TPS $\geq$ 50% were 0.28 (95% CI, 0.19-0.41) and 0.47 (95% CI, 0.29-0.77), respectively; the HR for PFS in patients with non-squamous and squamous NSCLC were 0.28 (95% CI, 0.18-0.43) and 0.44 (95% CI, 0.29-0.66).

Additionally, the Phase 3 registrational study of sac-TMT in combination with pembrolizumab versus chemotherapy combined with pembrolizumab as first-line treatment for patients with PD-L1-negative locally advanced or metastatic non-squamous NSCLC has met its primary endpoint of PFS at a prespecified interim analysis, demonstrating a statistically significant and clinically meaningful improvement. A positive benefit trend in OS was observed. This is the world's first Phase 3 clinical trial of an ADC combined with an immune checkpoint inhibitor to achieve its primary endpoint in the first-line treatment of driver gene-negative and PD-L1-negative non-squamous NSCLC.

In July 2026, an IND application for sac-TMT in combination with PD-1/VEGF bsAb SKB118 for the treatment of EGFR-negative and ALK-negative NSCLC was approved by NMPA.

- **Other indications.** We are actively exploring the potential of sac-TMT both as a monotherapy and in combination with other therapies for treating other solid tumors, including GC, EC, CC, OC, TC, UC, CRPC, HNSCC, etc.
- **Breakthrough Therapy Designation granted.** Previously, sac-TMT has received six Breakthrough Therapy Designations from the NMPA:
 - for locally advanced or metastatic TNBC in July 2022;
 - for locally advanced or metastatic EGFR-mutant NSCLC after progression on EGFR-TKI therapy in January 2023;

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- for locally advanced or metastatic HR+/HER2- BC in patients who have previously received at least two lines of systemic chemotherapy in June 2023;
 - for first-line treatment of unresectable locally advanced, recurrent or metastatic PD-L1-negative TNBC in March 2024;
 - in combination with anti-PD-L1 mAb tagitanlimab for the first-line treatment of locally advanced or metastatic non-squamous NSCLC without actionable genomic alterations in June 2025;
 - in combination with anti-PD-1 mAb pembrolizumab for the first-line treatment of patients with locally advanced or metastatic NSCLC who have PD-L1 TPS $\geq$ 1% and are EGFR-negative and ALK-negative in January 2026.
- **Global clinical development.** In May 2022, we licensed to MSD the exclusive rights to develop, use, manufacture and commercialize sac-TMT in all territories outside of Greater China (which includes Chinese mainland, Hong Kong, Macau, and Taiwan). As at August 17, 2026, MSD has initiated 17 ongoing Phase 3 global, multi-center clinical studies for sac-TMT for several types of cancer including BC, LC, GI cancer, gynecological cancer and GU cancer.
- In May 2026, MSD announced the pivotal Phase 3 TroFuse-005 trial met its primary endpoints of OS and PFS in certain patients with advanced or recurrent EC. TroFuse-005 is the first global Phase 3 trial to demonstrate statistically significant improvement in both OS and PFS compared to chemotherapy for these patients and sac-TMT is the first and only ADC to do so for patients with EC in this setting.
- We are also collaborating with MSD on several global Phase 2 basket studies for sac-TMT as monotherapy or in combination with other agents for multiple solid tumors and those studies are ongoing.
- **Clinical data readout.** During the Reporting Period, we have presented clinical data on studies of sac-TMT at various academic conferences and published in journals, such as:
- [2026 ASCO Annual Meeting.](#)
 - Sac-TMT plus pembrolizumab versus pembrolizumab as first-line treatment for PD-L1 positive advanced NSCLC: Results from the randomized, controlled, registrational Phase 3 OptiTROP-Lung05 study;

- [2026 SGO.](#)
 - Sac-TMT plus pembrolizumab maintenance therapy in ovarian cancer: results from the Phase 2 SKB264-II-06/2870-002 study;
 - Sac-TMT plus pembrolizumab in participants with recurrent or metastatic cervical cancer: results from the Phase 2 SKB264-II-06/2870-002 study;
 - [2026 ELCC.](#)
 - Sac-TMT in patients with previously treated advanced EGFR-mutated NSCLC: Final OS analysis from the randomized OptiTROP-Lung03 study;
 - [2026 ASCO GU.](#)
 - Sac-TMT plus pembrolizumab in participants with advanced urothelial carcinoma: Results from the Phase 2 SKB264-II-06/2870-002 Study;
 - [The Lancet.](#)
 - Sac-TMT plus pembrolizumab versus pembrolizumab in PD-L1-positive advanced NSCLC (OptiTROP-Lung05): interim analysis of a randomised, open-label, Phase 3 trial;
 - [Cancer Cell.](#)
 - Targeting TROP2 in drug-tolerant persister cells delays EGFR-TKI resistance in NSCLC.
- o [Our Core Product trastuzumab botidotin \(HER2 ADC, also known as A166\) \(舒泰莱®\):](#)
- In October 2025, trastuzumab botidotin was approved for marketing by the NMPA for adult patients with unresectable or metastatic HER2+ BC who have received one or more prior anti-HER2 therapy. This is the first domestically developed HER2 ADC approved for 2L+ HER2+ BC in China.
- Our results from the Phase 3 study of trastuzumab botidotin for the treatment of 2L+ HER2+ BC were selected for LBA and presented as an oral report at the ESMO Congress in October 2025. Trastuzumab botidotin achieved statistically significant clinical outcomes compared to T-DM1: ORR (BICR: 76.9% vs 53%); PFS (median 11.1 vs 4.4 months, HR=0.39, 95% CI=0.30-0.51, $p<0.0001$). PFS benefit with trastuzumab botidotin was consistently observed in patients with various prior lines of anti-HER2 therapy (HR=0.36, 95% CI=0.25-0.53, for 1 prior line; HR=0.39, 95% CI=0.28-0.56, for ≥ 2 prior lines). A trend toward benefit in OS was observed in trastuzumab botidotin (HR 0.62).
- We have also initiated an open, multicenter Phase 2 clinical study of trastuzumab botidotin in the treatment of HER2+ unresectable or metastatic BC that previously received a topoisomerase inhibitor payload ADC.

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o Others:

Phase 2 clinical stage

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

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

- **SKB410/MK-3120 (Nectin-4 ADC).** MSD, as the sponsor, has launched 4 global Phase 1/2 clinical trial of SKB410/MK-3120 in advanced solid tumor including bladder cancer, UC and other indications.
- **SKB571/MK-2750.** SKB571 is a novel bsADC, being developed in collaboration with MSD. 5 Phase 2 clinical trials for the treatment of GI cancers, NSCLC and HNSCC in China are ongoing.
- **SKB500 (B7-H3 ADC).** Phase 2 studies of SKB500 in SCLC and ESCC, etc. are ongoing in China.

The first-in-human study results for SKB500 in patients with advanced solid tumors were presented as a rapid oral report at the ASCO Annual Meeting in June 2026. As of March 31, 2026, efficacy data showed:

- Antitumor activities were observed across multiple solid tumor types, including SCLC, ESCC, HNSCC, PDAC, NSCLC, and NPC. Among 124 patients treated at 12 mg/kg with at least 6 weeks of follow-up, the ORR was 42.7%, and the DCR was 83.9%.
 - Among the treated SCLC patients (n=40), the ORR was 65.0% (95% CI: 48.3, 79.4), median PFS was 7.2 months (95% CI: 4.3, NE), DCR was 95.0%, and median DoR was 5.8 months. Among the treated ESCC patients (n=37), the ORR was 54.1%.
- **SKB518.** The Phase 2 clinical trials in OC, etc. are ongoing in China.

Phase 1 clinical stage

- **SKB107.** SKB107 is a RDC drug jointly developed by us and the Affiliated Hospital of Southwest Medical University (西南醫科大學附屬醫院) targeting bone metastases in solid tumors. The Phase 1 study is ongoing.
- **SKB103.** SKB103 is a novel bsADC with combined TAA-IO mechanisms that primarily targets various solid tumors. In March 2026, an IND application for SKB103 was approved by CDE of NMPA of China for the treatment of advanced solid tumors and the Phase 1/2 study is ongoing.
- **SKB565.** SKB565 is a novel dual-payload ADC that enables the direct delivery of toxins and immunomodulators to tumor tissue. In July 2026, an IND application for SKB565 was approved by CDE of NMPA of China for the treatment of advanced solid tumors, which marks the Company's first dual-payload ADC to enter the clinical stage.
- **SKB535, SKB445 and SKB105/CR-003 (ITGB6 ADC).** The Phase 1 clinical trials for these cytotoxin-based ADCs are ongoing in China.

- **Key developments of our non-DC assets:**

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

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

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- **Cetuximab N01 (EGFR mAb, also known as A140) (达泰莱®).** In February 2025, we received marketing authorization in China from the NMPA for Cetuximab N01 Injection used in combination with FOLFOX or FOLFIRI regimens for first-line treatment of RAS wild-type mCRC. As demonstrated by a large-scale domestic Phase 3 clinical study conducting a head-to-head comparison of Cetuximab N01 Injection with Cetuximab Solution for Injection (Erbix®), the Cetuximab N01 combination chemotherapy was clinically equivalent in ORR (Cetuximab N01 vs Cetuximab Solution for Injection (Erbix®): 71.0% vs 77.5%; ORR ratio is 0.93 (95% CI: 0.87, 0.99)), and Cetuximab N01 did not demonstrate any clinically meaningful or statistically significant differences in DoR and PFS compared with Cetuximab Solution for Injection (Erbix®) (median PFS: 10.9 months vs 10.8 months, HR: 1.03 (95% CI: 0.83, 1.28); median DoR: 10.2 months vs 9.5 months). As for safety, this study has sufficiently proven that the Cetuximab N01 combination chemotherapy is comparable in terms of safety, tolerance and immunogenicity to the Cetuximab Solution for Injection (Erbix®) combination chemotherapy.
- **Lunbotinib Fumarate Capsules (RET inhibitor, also known as A400/EP0031) (宁泰莱®)**⁷. In August 2025, an NDA for Lunbotinib Fumarate Capsules for the 1L+ treatment of adult patients with RET-fusion positive locally advanced, or metastatic NSCLC was accepted for review by the CDE of the NMPA of China. We are also conducting a Phase 1b/2 clinical study for RET+ solid tumor in China. Through our collaboration and license agreement, Ellipses Pharma is progressing their phase 2 clinical study globally outside of China.

Our results from the pivotal Phase 2 study of Lunbotinib Fumarate Capsules in patients with advanced RET-fusion positive NSCLC were presented as an oral report at the ASCO Annual Meeting in May 2026. The IRC-assessed confirmed ORR was 87.1% (95% CI: 77.0-93.9) in pre-treated patients and 81.3% (95% CI: 71.8-88.7) in treatment-naïve patients; median PFS was 27.5 months in pre-treated patients (immature) and NR in treatment-naïve patients, with 24-month PFS rates of 52.1% and 59.9%, respectively; Median OS was not reached in either group, with 24-month OS rates of 65.7% in pretreated patients and 74.1% in treatment-naïve patients; Among patients with baseline brain metastases (23 pre-treated, 16 treatment-naïve), ORR was 82.6% and 75.0%, respectively, and 6 patients in each cohort had complete intracranial response.

- **SKB118/CR-001 (PD-1/VEGF bsAb).** SKB118 is a tetravalent bsAb being developed for the treatment of solid tumors that combines two complementary, validated mechanisms in oncology via a blockade of PD-1 and VEGF with Greater China rights in-licensed from Crescent Biopharma. In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for CR-001 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the trial is ongoing. In May 2026, the Company announced that it had received a clinical trial notice from the CDE of NMPA approving the IND application for SKB118 for the treatment of solid tumors and the Phase 1/2 study is ongoing. In July 2026, an IND application for SKB118 in combination with sac-TMT for the treatment of EGFR-negative and ALK-negative NSCLC was approved by NMPA.

⁷ Trade name to be approved by NMPA.

- o We are also developing the following assets for autoimmune diseases:
 - **SKB378/WIN378 (TSLP mAb).** We completed Phase 1 clinical trial in healthy subjects in China. In January 2025, an IND application for SKB378 for the treatment of COPD was approved by the NMPA. Our collaboration partner, Windward Bio, is evaluating SKB378/WIN378 in the POLARIS Phase 2/3 global trial in patients with asthma and has dosed the first patients in the SIRIUS Phase 2 global study in patients with COPD.
 - **SKB575 (TSLP/undisclosed target bsAb).** In March 2026, an IND application for SKB575 for the treatment of atopic dermatitis was approved by the NMPA, and the first participant has been dosed in a Phase 1 clinical study. In July 2026, an IND application for SKB575 for the treatment of asthma was approved by the NMPA.
- **Commercialization.** We have received marketing authorization for sac-TMT (佳泰萊[®]), tagitanlimab (科泰萊[®]), Cetuximab N01 (达泰萊[®]) and trastuzumab botidotin (舒泰萊[®]) and have commenced their commercialization. We have also filed an NDA for Lunbotinib Fumarate Capsules (宁泰萊[®])⁸ and expect to commence its commercialization in the first half of 2027, subject to regulatory communications and receipt of marketing approval.

Our commercialization growth momentum continues to accelerate, with total revenue from sales of pharmaceutical products reaching RMB657.04 million for the first half of 2026, up by 112% compared to the same period last year. The growth is mainly driven by the following factors:

o *Expert Recognition of High-Quality Clinical Data and Shift in Treatment Paradigms*

- Following the successive commercial launches of multiple innovative products, data from a number of high-quality clinical studies of international caliber have continued to be released, presented at major international academic conferences and published in authoritative international academic journals, thereby continuously reinforcing the evidence-based clinical foundation of our products.
- As high-quality evidence continues to accumulate, our innovative products have gradually gained recognition among clinical experts. In the first half of 2026, our products were successively included as recommended treatment options in authoritative domestic clinical guidelines and expert consensus documents, such as “Guidelines of CSCO: Breast Cancer 2026 (CSCO乳腺癌診療指南2026)”, “Guidelines of CSCO: Non-Small Cell Lung Cancer 2026 (CSCO非小細胞肺癌診療指南2026)”, “Guidelines of CSCO: Nasopharyngeal Carcinoma 2026 (CSCO鼻咽癌診療指南2026)”, “Guidelines of CSCO: Colorectal Cancer 2026 (CSCO結直腸癌診療指南2026)” (Cetuximab N01 (达泰萊[®])), “CBCS&CSOBO Guidelines for Breast Cancer Diagnosis and Treatment (2026 Concise Edition)(CBCS&CSOBO乳腺癌診治指南與規範(2026年精要本))” and “Chinese Medical Association Clinical Practice Guidelines for Lung Cancer (2026 edition) (中華醫學會肺癌臨床診療指南(2026版))”, providing further support for the commercialization process. Sac-TMT (佳泰萊[®]) also received the core recommendations from the “Expert Consensus on the Clinical Application of TROP2-targeted ADC in NSCLC (2026 edition) (靶向TROP2的ADC應用於NSCLC的專家共識(2026版))”, which serves as an authoritative clinical guideline for the clinical use of TROP2 ADC for the treatment of NSCLC.

⁸ Trade name to be approved by NMPA.

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- Our market strategy has also become clearer and more focused. Sac-TMT (佳泰莱[®]) has successfully established among customers the clinical recognition that it is the “standard of care in 2L and the preferred regimen in 3L” in the LC field, and is also the preferred brand among TROP2 ADC in TNBC.
- Meanwhile, through ongoing medical education and academic exchange activities, clinicians have gained a deeper understanding of the products’ mechanisms of action, efficacy, safety and target patient populations. Treatment paradigms have also evolved gradually, further strengthening clinicians’ confidence in adopting innovative treatment regimens.

The foregoing high-quality clinical evidence, expert recognition, guideline recommendations and real-world clinical practice have thus formed a virtuous cycle that accelerates the translation of the clinical value of our products into practice, delivers greater therapeutic benefits to patients and lays a solid foundation for sustained commercial growth.

o *Comprehensive Enhancement of Drug Accessibility*

- **Effective translation of the benefits of NRDL inclusion.** Five indications of our 3 commercialized products, including 3L EGFR-mutant NSCLC and 2L+ TNBC of sac-TMT (佳泰莱[®]) and 1L RAS wild-type mCRC of Cetuximab N01 (达泰莱[®]), have been included in the 2025 NRDL, which officially took effect on January 1, 2026. This marks sac-TMT (佳泰莱[®]) the only TROP2 ADC and the only domestic ADC in TNBC/NSCLC under the NRDL. Following NRDL inclusion, strong product efficacy, together with the marked improvement in patient accessibility, has significantly increased physicians’ willingness to prescribe and improved patients’ convenience and experience in using the products. As at August 17, 2026, three indications of sac-TMT (佳泰莱[®]) (2L EGFR-mutant NSCLC and 2L+ HR+/HER2- BC) and trastuzumab botidotin (舒泰莱[®]) (2L+ HER2+ BC) have also passed the comprehensive review by experts of 2026 NRDL.
- **Broader hospital access channels.** In the first half of 2026, we rapidly advanced hospital access efforts and broadened various types of medical insurance reimbursement channels, including formal access, temporary procurement and dual-channel arrangements. We have now comprehensively covered hospitals of various tiers across provinces and regions, allowing the value of NRDL inclusion to be realized rapidly and ensuring reimbursement channels to run smoothly. Currently, our businesses cover 30 provinces, over 300 prefectures and over 2,000 hospitals.

- **Continuous expansion of the commercialization team.** As at the end of the Reporting Period, we had established a fully-fledged commercialization team of over 800 people, nearly doubling year-on-year. Within the commercialization team, we have established a comprehensive departmental structure covering marketing, sales, distribution and market access, medical affairs, strategic planning and operational excellence, as well as compliance and KA functions. We have deployed resident personnel in each prefecture-level city, achieving extensive grassroots coverage of top-tier hospitals in high-potential districts and counties, establishing a multi-level business network covering core and second-tier cities, as well as provincial and municipal hospitals. We have completed the filing for all medical representatives in accordance with the requirements of the Administrative Measures for Pharmaceutical Representatives (《醫藥代表管理辦法》).

Meanwhile, we continuously upgrade the team's academic capabilities to deliver more diversified and efficient academic promotion activities. For our commercialized products and therapeutic areas, the business team is divided by indications into breast cancer, lung cancer and other tumors areas based on indications, and synergies among the indications of our commercialized products facilitate marketing and promotional activities.

- **Highlights of our License and Collaboration Arrangements.**

- **Collaboration with MSD.** We have entered into license and collaboration agreements with MSD to develop multiple ADC assets for cancer treatment.
 - **Sac-TMT:** We have granted MSD an exclusive, royalty-bearing and sub-licensable license to develop, use, manufacture and commercialize sac-TMT outside Greater China. We retain the right to develop and commercialize sac-TMT within Greater China. As at August 17, 2026, MSD has initiated 17 ongoing Phase 3 global clinical studies of sac-TMT as a monotherapy or in combination with pembrolizumab or other agents for several types of cancer. The following studies are sponsored and led by MSD:
 - BC.
 - Adjuvant sac-TMT plus pembrolizumab versus TPC in TNBC who received neoadjuvant pembrolizumab plus chemotherapy and did not achieve a pCR at surgery;
 - Sac-TMT as a monotherapy and in combination with pembrolizumab versus TPC in participants with previously untreated locally recurrent unresectable or metastatic TNBC expressing PD-L1 at CPS<10;
 - Sac-TMT as a single agent and in combination with pembrolizumab versus TPC in participants with unresectable locally advanced or metastatic HR+/HER2- BC (after one or more lines of ET);

FINANCIAL AND BUSINESS HIGHLIGHTS

- Sac-TMT followed by carboplatin/paclitaxel versus chemotherapy, both in combination with pembrolizumab as neoadjuvant therapy for high-risk, early-stage TNBC or hormone receptor-low positive/HER2-negative BC;
- LC.
 - Adjuvant sac-TMT plus pembrolizumab versus pembrolizumab in adult participants with resectable NSCLC not achieving a pCR after receiving neoadjuvant pembrolizumab with platinum-based doublet chemotherapy followed by surgery;
 - Sac-TMT in combination with pembrolizumab versus pembrolizumab monotherapy in the first-line treatment of participants with metastatic NSCLC expressing PD-L1 greater than or equal to 50 percent;
 - Sac-TMT monotherapy versus standard chemotherapy for the treatment of previously treated advanced or metastatic NSCLC with EGFR mutations or other genomic alterations (after 1 or 2 prior lines of EGFR-TKI and 1 platinum-based therapy after progression on or after EGFR-TKI);
 - Sac-TMT versus pemetrexed and carboplatin combination therapy in participants with EGFR-mutated, advanced non-squamous NSCLC who have progressed on prior EGFR-TKI;
 - Sac-TMT in combination with pembrolizumab versus pembrolizumab as maintenance treatment in the first-line treatment of metastatic squamous NSCLC after induction treatment with pembrolizumab plus carboplatin and paclitaxel or nab-paclitaxel;
- Gynecological cancer.
 - Sac-TMT monotherapy versus chemotherapy in EC participants who have received prior platinum-based chemotherapy and immunotherapy;
 - Sac-TMT in combination with pembrolizumab versus pembrolizumab alone as treatment in participants with mismatch repair proficient EC;
 - Sac-TMT monotherapy versus TPC as second-line treatment for participants with recurrent or metastatic CC;
 - Sac-TMT in patients with platinum-sensitive recurrent OC who have received 2L chemotherapy;

- Sac-TMT in combination with pembrolizumab with or without Bevacizumab compared with SOC as 1L maintenance treatment for participants with persistent, recurrent, or newly diagnosed metastatic CC with PD-L1 CPS $\geq$ 1;
- Sac-TMT maintenance treatment with or without Bevacizumab versus SOC in participants with newly diagnosed advanced HRD-negative OC following 1L platinum-based chemotherapy;
- GI cancer. Sac-TMT in 3L+ advanced/metastatic GEA; and
- GU cancer. Sac-TMT in pretreated metastatic UC.

In May 2026, MSD announced that the pivotal Phase 3 TroFuse-005 trial met its primary endpoints of OS and PFS in certain patients with advanced or recurrent EC. TroFuse-005 is the first global Phase 3 trial to demonstrate statistically significant improvement in both OS and PFS compared to chemotherapy for these patients and sac-TMT is the first and only ADC to do so for patients with EC in this setting.

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

- **Other ADC assets:** In addition to sac-TMT, we are also collaborating with MSD on certain ADC assets to continuously explore favorable ADC pipeline portfolios. Through our ADC pipelines, we aim to cover a wide range of tumor indications via different targets, to apply differentiated payload-linker strategies for ADC assets with different targets to achieve better efficacy and/or differentiated safety profiles, and, through various strategies, to explore ADCs in combination. We have granted MSD exclusive global licenses to research, develop, manufacture and commercialize multiple ADC assets and exclusive options to obtain additional licenses to certain other ADC assets. We retain the right to research, develop, manufacture and commercialize certain licenses and option ADCs for Chinese mainland, Hong Kong and Macau.
- o **Collaboration with Ellipses Pharma.** In March 2021, we have entered into a collaboration and license agreement with Ellipses Pharma, under which we granted Ellipses Pharma an exclusive, revenue sharing, royalty-bearing, sublicensable license to develop, manufacture and commercialize Lunbotinib Fumarate Capsules (known as EP0031 by Ellipses Pharma). In April 2024, Lunbotinib Fumarate Capsules was cleared by the FDA to progress into Phase 2 clinical development. As at August 17, 2026, a total of 42 clinical trial centers in the United States, UK, Europe and UAE were set up for Lunbotinib Fumarate Capsules.

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

Windward Bio is evaluating SKB378/WIN378 in the POLARIS Phase 2/3 global trial in patients with asthma, and has dosed the first patients in the SIRIUS Phase 2 global study in patients with COPD.

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

In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for CR-001 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the trial is ongoing.

- **ESG.** We have established a comprehensive three-tier ESG governance structure consisting of the Board of Directors, ESG Working Group and ESG Executive Body. Among them, the Board of Directors serves as the highest responsible and decision-making body for ESG management and information disclosure, guiding and supervising the Company's ESG development. Through the establishment and continuous improvement of the ESG governance structure, the Company comprehensively enhances ESG performance ability and ensures the Company's sustainable development. In May 2026, the Company was included in the "China ESG Impact List" by Fortune (財富) and was awarded bronze medal for "Most Committed to ESG (China)" under "Asia's Best Company" by FinanceAsia (亞洲金融). In March 2026, the Company had received a rating of "AA" in the MSCI ESG Rating Assessment.
- **Placing of New H Shares.** On July 10, 2026, the placing of 5,838,000 H Shares to not less than six placees at the placing price of HK\$470.20 per Share was completed. The net proceeds from the Placing amounted to approximately HK\$2,723.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW

OVERVIEW

We are a biopharmaceutical company committed to the research and development (R&D), manufacturing and commercialization of novel drugs in oncology, immunology, metabolism and other therapeutic areas. We have two ADC drugs as our Core Products, namely, sac-TMT and trastuzumab botidotin. Sac-TMT is a novel TROP2 ADC positioned as a monotherapy and part of combination therapies. Trastuzumab botidotin is a differentiated HER2 ADC positioned as a monotherapy to treat advanced HER2+ solid tumors. As at August 17, 2026, we were developing more than 30 assets in our pipeline, including our Core Products, tagitanlimab and Cetuximab N01, all of which have received marketing authorization in China from the NMPA. With the recognition of projects with competitive advantages and market value, and the aim to allocate our existing R&D resources to such projects, our pipeline mainly consists of oncology assets as well as assets for non-oncology diseases and conditions such as autoimmune, metabolism and other disease areas.

The clinical studies layout below summarize the development status of our main clinical-stage assets as at August 17, 2026.



Note: ¹ Previously treated with ADC with a topoisomerase inhibitor payload; ² Primary endpoint met and communicating with the authority regarding the submission of a new indication application; ³ Including fallopian tube cancer or primary peritoneal cancer; ⁴ Including participants with PD-L1 CPS≥10, or those who have recurred after prior PD-1/PD-L1 inhibitor in early stage.

註: ¹ 既往接受過含拓扑异构酶抑制剂载荷的ADC治疗; ² 临床主要终点达标并已向监管机构递交新适应症申请; ³ 包括输卵管癌或原发性腹膜癌; ⁴ 包括PD-L1 CPS≥10或既往在早期阶段接受过PD-1/PD-L1抑制剂联合治疗的受试者。

* KEYTRUDA® (Pembrolizumab) is a registered trademark of Merck Sharp & Dohme LLC, a subsidiary of Merck & Co., Inc., Rahway, NJ, USA. ** 可瑞达® (帕博利珠单抗) 是美国新泽西州康城市默沙东公司的附属公司Merck Sharp & Dohme LLC 的注册商标。

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

OUR PIPELINE

Our pipeline targets the world's prevalent or hard-to-treat cancers, such as BC, NSCLC, GI cancers, gynecological tumors and GU cancers, as well as non-oncology diseases and conditions affecting a large and underserved population. As at August 17, 2026, we had established a pipeline of over 30 assets, including sac-TMT, trastuzumab botidotin, tagitanlimab and Cetuximab N01 which have received marketing authorization in China from the NMPA, and over 10 clinical-stage assets. We have also assembled a diverse portfolio of preclinical assets to further enrich our expanding pipeline targeting medical needs.

Our oncology franchise

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

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

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

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

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

Within Greater China

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

TNBC. In November 2024, we received marketing authorization in China from the NMPA for sac-TMT in adult patients with unresectable locally advanced or metastatic TNBC who have received at least two prior systemic therapies (at least one of them for advanced or metastatic setting).

Our results from the Phase 3 study of sac-TMT in patients with previously treated locally recurrent or metastatic TNBC were presented at the ASCO Annual Meeting in May 2024 and *Nature Medicine* in April 2025. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in PFS and OS. The median PFS, as assessed by BICR, was 6.7 months (95% CI: 5.5, 8.0) with sac-TMT and 2.5 months (95% CI: 1.7, 2.7) with chemotherapy, and HR was 0.32 (95% CI: 0.24, 0.44, $p < 0.00001$), and the risk of disease progression or death was reduced by 68%. The median OS was 14.3 months with sac-TMT (95% CI: 11.2, NE) and 9.4 months with chemotherapy (95% CI: 8.5, 11.7), HR was 0.53 (95% CI: 0.36, 0.78, $p = 0.0006$), and the risk of death was reduced by 47%⁹. ORR was 45.4% with sac-TMT compared to 12% with chemotherapy. The subset of patients with high TROP2 expression (H-score > 200) had a higher median PFS (8.3 months) and ORR (52.1%) with sac-TMT.

In July 2026, the new indication application for sac-TMT monotherapy versus ICC for 1L advanced TNBC was accepted for review by the CDE of NMPA of China. This acceptance is based on the positive results from the OptiTROP-Breast03 registrational Phase 3 study, which is the first registrational Phase 3 clinical study of sac-TMT to achieve positive results in the first-line treatment of TNBC.

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

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

A Phase 3 registrational study of sac-TMT versus ICC of chemotherapy for treatment of patients with unresectable locally advanced, recurrent or metastatic HR+/HER2- BC who received prior ET and did not receive prior chemotherapy is in progress.

⁹ Label of sac-TMT; clinical study report of SKB264-III-03.

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

Our final OS analysis, along with updated PFS and additional data from the pivotal study of sac-TMT for the treatment of 3L advanced EGFR-mutant NSCLC has been presented at the 2026 ELCC in March 2026. Sac-TMT demonstrated a statistically significant and clinically meaningful improvement in overall survival. In the docetaxel control group, 41.3% of patients crossed over to receive sac-TMT after disease progression. Without adjustment for subsequent sac-TMT treatment in the control group, median OS was 20.0 months vs 13.5 months (HR 0.63, 95% CI: 0.40-0.98). Considering the impact of OS from crossover treatment in the control group, adjusted and analysed by the pre-specified RPSFT model, the median OS was 20.0 months in the sac-TMT group vs 11.2 months in the docetaxel group (HR 0.45, 95% CI: 0.28-0.73), with 18-month OS rate of 54.7% vs 9.1%. Median PFS assessed by BIRC was 6.9 months vs 2.8 months (HR=0.30, one-sided $p<0.0001$)¹⁰.

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

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

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

EGFR-wild type NSCLC. In May 2026, the new indication application for sac-TMT in combination with KEYTRUDA®¹¹ (pembrolizumab), MSD's anti-PD-1 therapy, versus pembrolizumab for first-line treatment of adult patients with locally advanced or metastatic NSCLC who have PD-L1 TPS $\geq$ 1% and are EGFR-negative and ALK-negative was accepted for review by the CDE of NMPA of China. This acceptance is based on the positive results from the OptiTROP-Lung05 registrational Phase 3 study, which is the first Phase 3 clinical trial of ADC combined with immune checkpoint inhibitor to achieve its primary endpoint in the first-line treatment of NSCLC.

¹⁰ Fang W, et al. BMJ 2025; 389: e085680.

¹¹ KEYTRUDA® (Pembrolizumab) is a registered trademark of MSD, a subsidiary of Merck & Co., Inc., Rahway, NJ, USA.

Our results from the Phase 3 study of sac-TMT in combination with pembrolizumab as a first-line treatment for PD-L1 TPS $\geq$ 1% NSCLC, as demonstrated below, were presented as an oral report at the ASCO Annual Meeting in May 2026 and published simultaneously online in *The Lancet* (Impact Factor=88.5):

- Significant PFS improvement: PFS assessed by BICR was significantly improved in the sac-TMT plus pembrolizumab group compared with the pembrolizumab group, with a median PFS of NR versus 5.7 months (HR=0.35; 95% CI: 0.26-0.47; $p<0.0001$);
- Substantially higher response rate: The ORR assessed by BICR was 70.2% in the sac-TMT plus pembrolizumab group versus 42.0% in the pembrolizumab group;
- Positive OS trend though immature (HR=0.55; 95% CI: 0.36-0.85);
- Consistent benefit across prespecified subgroups: the HR for PFS in patients with PD-L1 TPS 1-49% and TPS $\geq$ 50% were 0.28 (95% CI, 0.19-0.41) and 0.47 (95% CI, 0.29-0.77), respectively; the HR for PFS in patients with non-squamous and squamous NSCLC were 0.28 (95% CI, 0.18-0.43) and 0.44 (95% CI, 0.29-0.66).

Additionally, the Phase 3 registrational study of sac-TMT in combination with pembrolizumab versus chemotherapy combined with pembrolizumab as first-line treatment for patients with PD-L1-negative locally advanced or metastatic non-squamous NSCLC has met its primary endpoint of PFS at a prespecified interim analysis, demonstrating a statistically significant and clinically meaningful improvement. A positive benefit trend in OS was observed. This is the world's first Phase 3 clinical trial of an ADC combined with an immune checkpoint inhibitor to achieve its primary endpoint in the first-line treatment of driver gene-negative and PD-L1-negative non-squamous NSCLC.

In July 2026, an IND application for sac-TMT in combination with PD-1/VEGF bsAb SKB118 for the treatment of EGFR-negative and ALK-negative NSCLC was approved by NMPA.

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

Breakthrough Therapy Designation granted. Previously, sac-TMT has received six Breakthrough Therapy Designations from the NMPA:

- for locally advanced or metastatic TNBC in July 2022;
- for locally advanced or metastatic EGFR-mutant NSCLC after progression on EGFR-TKI therapy in January 2023;
- for locally advanced or metastatic HR+/HER2- BC in patients who have previously received at least two lines of systemic chemotherapy in June 2023;

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- for first-line treatment of unresectable locally advanced, recurrent or metastatic PD-L1-negative TNBC in March 2024;
- in combination with anti-PD-L1 mAb tagitanlimab for the first-line treatment of locally advanced or metastatic non-squamous NSCLC without actionable genomic alterations in June 2025;
- in combination with anti-PD-1 mAb pembrolizumab for the first-line treatment of patients with locally advanced or metastatic NSCLC who have PD-L1 TPS $\geq$ 1% and are EGFR-negative and ALK-negative in January 2026.

Global clinical development

In May 2022, we licensed to MSD the exclusive rights to develop, use, manufacture and commercialize sac-TMT in all territories outside of Greater China (which includes Chinese mainland, Hong Kong, Macau, and Taiwan). As at August 17, 2026, MSD has initiated 17 ongoing Phase 3 global, multi-center clinical studies for sac-TMT for several types of cancer including BC, LC, GI cancer, gynecological cancer and GU cancer.

In May 2026, MSD announced the pivotal Phase 3 TroFuse-005 trial met its primary endpoints of OS and PFS in certain patients with advanced or recurrent EC. TroFuse-005 is the first global Phase 3 trial to demonstrate statistically significant improvement in both OS and PFS compared to chemotherapy for these patients and sac-TMT is the first and only ADC to do so for patients with EC in this setting.

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

Clinical data readout

During the Reporting Period, we have presented clinical data on studies of sac-TMT at various academic conferences and published in journals, such as:

- *2026 ASCO Annual Meeting.*
 - o Sac-TMT plus pembrolizumab versus pembrolizumab as first-line treatment for PD-L1 positive advanced NSCLC: Results from the randomized, controlled, registrational Phase 3 OptiTROP-Lung05 study;
- *2026 SGO.*
 - o Sac-TMT plus pembrolizumab maintenance therapy in ovarian cancer: results from the Phase 2 SKB264-II-06/2870-002 study;
 - o Sac-TMT plus pembrolizumab in participants with recurrent or metastatic cervical cancer: results from the Phase 2 SKB264-II-06/2870-002 study;

- 2026 ELCC.
 - o Sac-TMT in patients with previously treated advanced EGFR-mutated NSCLC: Final OS analysis from the randomized OptiTROP-Lung03 study;
- 2026 ASCO GU.
 - o Sac-TMT plus pembrolizumab in participants with advanced urothelial carcinoma: Results from the Phase 2 SKB264-II-06/2870-002 Study;
- The Lancet.
 - o Sac-TMT plus pembrolizumab versus pembrolizumab in PD-L1-positive advanced NSCLC (OptiTROP-Lung05): interim analysis of a randomised, open-label, Phase 3 trial;
- Cancer Cell.
 - o Targeting TROP2 in drug-tolerant persister cells delays EGFR-TKI resistance in NSCLC.

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

SKB315 (CLDN18.2 ADC)

We are conducting Phase 1b/2 trials of SKB315 for the treatment of GC/GEJC/PDAC, etc.

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

SKB410/MK-3120 (Nectin-4 ADC)

MSD, as the sponsor, has launched 4 global Phase 1/2 clinical trial of SKB410/MK-3120 in advanced solid tumor including bladder cancer, UC and other indications.

SKB571/MK-2750

SKB571 is a novel bsADC that primarily targets various solid tumors, being developed in collaboration with MSD. 5 Phase 2 clinical trials for the treatment of GI cancers, NSCLC and HNSCC in China are ongoing.

SKB500 (B7-H3 ADC)

Phase 2 studies of SKB500 in SCLC and ESCC, etc. are ongoing in China.

The first-in-human study results for SKB500 in patients with advanced solid tumors were presented as a rapid oral report at the ASCO Annual Meeting in June 2026. As of March 31, 2026, efficacy data showed:

- Antitumor activities were observed across multiple solid tumor types, including SCLC, ESCC, HNSCC, PDAC, NSCLC, and NPC. Among 124 patients treated at 12 mg/kg with at least 6 weeks of follow-up, the ORR was 42.7%, and the DCR was 83.9%.
- Among the treated SCLC patients (n=40), the ORR was 65.0% (95% CI: 48.3, 79.4), median PFS was 7.2 months (95% CI: 4.3, NE), DCR was 95.0%, and median DoR was 5.8 months. Among the treated ESCC patients (n=37), the ORR was 54.1%.

SKB518

The Phase 2 clinical trials in OC, etc. are ongoing in China.

SKB107

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

SKB103

SKB103 is a potential best-in-class novel TAA-PD-L1 bsADC developed by the Company using its proprietary OptiDC™ platform and targeting advanced solid tumors. Designed as a single molecule, SKB103 is expected to realize targeted delivery of cytotoxic payloads to tumors and modulation of tumor immune microenvironment simultaneously. In preclinical studies, SKB103 demonstrated outstanding anti-tumor activity and a favorable safety profile. The therapeutic potential of SKB103 will support its subsequent clinical development.

In March 2026, an IND application for SKB103 was approved by CDE of NMPA of China for the treatment of advanced solid tumors and the Phase 1/2 study is ongoing.

SKB565

SKB565, a novel dual-payload ADC, is one of the core representatives of the Company's integrated "ADC+IO" strategy developed using the Company's proprietary OptiDC™ platform. Featuring an innovative dual-payload design, SKB565 enables the direct delivery of toxins and immunomodulators, two kinds of payload with complementary mechanisms of action, to tumor tissue. Compared with conventional ADCs carrying only toxins, SKB565 has a dual antitumor mechanism: it precisely targets and kills tumors while activating the immune system within the tumor microenvironment to elicit an antitumor immune response, bringing enhanced and more durable antitumor efficacy. In preclinical studies, SKB565 demonstrated excellent antitumor activity and safety, with its outstanding therapeutic potential to support further clinical development.

In July 2026, an IND application for SKB565 was approved by CDE of NMPA of China for the treatment of advanced solid tumors, which marks the Company's first dual-payload ADC to enter the clinical stage.

SKB535, SKB445 and SKB105/CR-003 (ITGB6 ADC)

The Phase 1 clinical trials for these cytotoxin-based ADCs are ongoing in China.

MANAGEMENT DISCUSSION AND ANALYSIS

SKB315, SKB410/MK-3120, SKB571/MK-2750, SKB500, SKB518, SKB107, SKB103, SKB565, SKB535, SKB445 AND SKB105/CR-003 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

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

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

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

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

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

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

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

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

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

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

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

Lunbotinib Fumarate Capsules (RET inhibitor, also known as A400/EP0031) (宁泰莱[®])¹²

Lunbotinib Fumarate Capsules, a novel, next-generation selective RET inhibitor for NSCLC, MTC and other solid tumors with a high prevalence of RET alterations, is positioned to be the first domestically developed next-generation selective RET inhibitor for treating RET+ solid tumors in China.

RET alterations have been reported to be a major oncogenic driver in about 2% of all cancers, most notably in NSCLC and MTC, the first two indications that Lunbotinib Fumarate Capsules is designed to target. Two first-generation selective RET inhibitors were approved in China for RET+ solid tumors as at June 30, 2026, but their efficacy is limited, in part, by acquired RET drug-resistant mutations and safety issues such as hypertension and hematological toxicity, underscoring the need for novel selective RET inhibitors with improved safety and better efficacy against drug resistant mutations. Lunbotinib Fumarate Capsules is designed with a novel proprietary molecular structure to address selective RET inhibitor resistance while maintaining target selectivity, efficacy and safety with reduced manufacturing cost and difficulty.

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

Within Greater China

In August 2025, an NDA for Lunbotinib Fumarate Capsules for the 1L+ treatment of adult patients with RET-fusion positive locally advanced, or metastatic NSCLC was accepted for review by the CDE of the NMPA of China. We are also conducting a Phase 1b/2 clinical study for RET+ solid tumor in China.

¹²

Trade name to be approved by NMPA.

MANAGEMENT DISCUSSION AND ANALYSIS

Our results from the pivotal Phase 2 study of Lunbotinib Fumarate Capsules in patients with advanced RET-fusion positive NSCLC were presented as an oral report at the ASCO Annual Meeting in May 2026. The IRC-assessed confirmed ORR was 87.1% (95% CI: 77.0-93.9) in pre-treated patients and 81.3% (95% CI: 71.8-88.7) in treatment-naïve patients; median PFS was 27.5 months in pre-treated patients (immature) and NR in treatment-naïve patients, with 24-month PFS rates of 52.1% and 59.9%, respectively; Median OS was not reached in either group, with 24-month OS rates of 65.7% in pretreated patients and 74.1% in treatment-naïve patients; Among patients with baseline brain metastases (23 pre-treated, 16 treatment-naïve), ORR was 82.6% and 75.0%, respectively, and 6 patients in each cohort had complete intracranial response.

Global collaboration with Ellipses Pharma

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

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

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

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

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

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

Global collaboration with Crescent Biopharma

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

In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for CR-001 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the trial is ongoing.

Within Greater China

In May 2026, the Company announced that it had received a clinical trial notice from the CDE of NMPA approving the IND application for SKB118 for the treatment of solid tumors and the Phase 1/2 study is ongoing. In July 2026, an IND application for SKB118 in combination with sac-TMT for the treatment of EGFR-negative and ALK-negative NSCLC was approved by NMPA.

SKB118 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

Our non-oncology franchise

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

SKB378 (TSLP mAb)

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

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

Within Greater China

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

Global collaboration with Windward Bio

In January 2025, it was announced that we and Harbour BioMed had entered into an exclusive license agreement with Windward Bio, under which we and Harbour BioMed granted Windward Bio an exclusive license for the research, development, manufacturing and commercialization of SKB378/WIN378 globally (excluding Greater China and several Southeast and West Asian countries). Windward Bio is evaluating SKB378/WIN378 in the POLARIS Phase 2/3 global trial in patients with asthma and has dosed the first patients in the SIRIUS Phase 2 global study in patients with COPD.

MANAGEMENT DISCUSSION AND ANALYSIS

SKB378 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

SKB575 (TSLP/undisclosed target bsAb)

SKB575 is a long-acting bsAb targeting TSLP and an undisclosed antigen, with a dual mechanism of action. On one hand, by blocking the interaction between TSLP and its receptor, it inhibits TSLP-mediated signaling pathways and the activation of Th2 immune cells. On the other hand, binding to and blocking the undisclosed target generates a synergistic effect, with the potential to achieve broader control of inflammation compared to single target. The engineered SKB575 can allow for longer dosing intervals and a convenient subcutaneous administration. Based on preclinical half-life data, the anticipated human half-life is expected to support dosing intervals of more than three months, positioning it as a potential best-in-class therapy.

According to the collaboration agreement with Harbour BioMed, we will lead the design and global development and commercialization of SKB575/HBM7575, with Harbour BioMed jointly participating in the investment and development of this project and sharing the benefits as agreed. In March 2026, an IND application for SKB575 for the treatment of atopic dermatitis was approved by the NMPA, and the first participant has been dosed in a Phase 1 clinical study. In July 2026, an IND application for SKB575 for the treatment of asthma was approved by the NMPA.

SKB575 MAY NOT ULTIMATELY BE SUCCESSFULLY DEVELOPED AND COMMERCIALIZED.

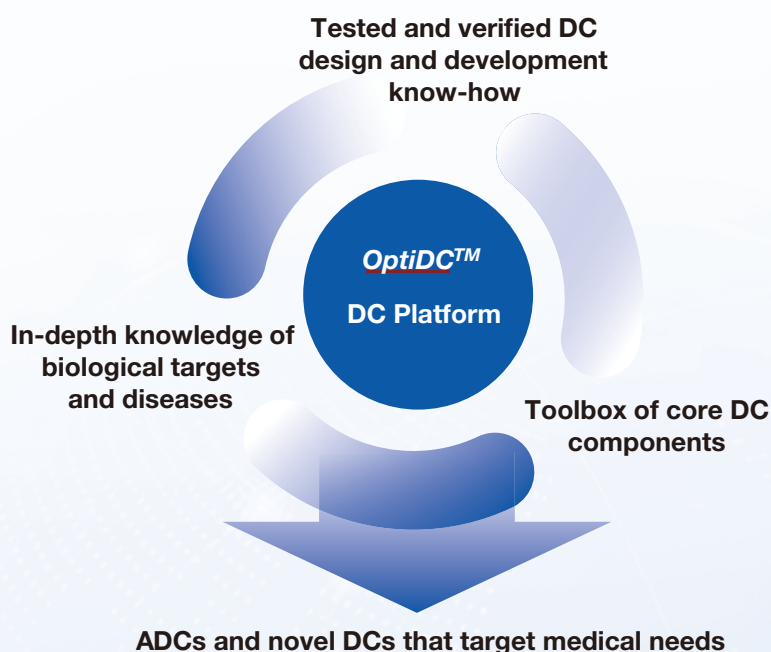
Apart from the above, we will continue to develop novel non-oncology assets to address highly prevalent chronic diseases currently without effective treatments, including autoimmune and metabolic diseases.

OUR TECHNOLOGY PLATFORMS

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

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

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



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

MANAGEMENT DISCUSSION AND ANALYSIS

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

RESEARCH AND DEVELOPMENT

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

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

- **Drug Discovery.** Our drug discovery team plays a fundamental role in our development of innovative drugs to address medical needs. Our discovery team comprises medicinal chemists, computational chemists, protein scientists, biologists, immunologists and is led by experts with years of experience working at multinational corporations. Through bringing over 10 drug candidates into clinical development, we have accumulated in-depth know-how and streamlined our drug discovery workflows for ADCs and novel DCs, biologics and small molecules. Our research platform supports in-house capabilities covering target validation, mechanism study, candidate design and selection (including computer-aided approaches), with a goal to consistently design and engineer differentiated drug candidates with high clinical values to enrich our pipeline.
- **Translational Medicine.** Our translational medicine scientists work closely to facilitate the bridging of our drug discovery and preclinical studies with clinical needs, with an aim to bring differentiated drug candidates to market. Their interdisciplinary research encompasses a wide range of studies from AI, pharmacology, drug metabolism and pharmacokinetics, toxicology to biomarker development. Our translational medicine team plays a key role in improving the success rates, time-efficiency and cost-effectiveness of our clinical trials.
- **Process Development.** Our process development team is responsible for developing a quality, scalable, and robust process for our ADC and novel DC, antibody and small molecule drugs. They have extensive experience in process optimization and scale-up, analytical method development and validation, quality criteria establishment, and technology transfer for clinical and commercial manufacturing. We are guided by a quality-by-design concept to scientifically design process performance characteristics, which underlies our consistent, high quality manufacturing of drug products.
- **Clinical Research.** We have a robust clinical research team located across our four clinical centers in Beijing, Shanghai, Chengdu and the U.S. Our clinical scientists are highly experienced at formulating clinical development plans, selecting indications, and determining regulatory pathways. Their rich experience in regulatory communication, both in China and overseas, also plays a key role in advancing our clinical development plans towards successful commercialization.

MANAGEMENT DISCUSSION AND ANALYSIS

We have fully integrated AI into several R&D processes to further improve R&D efficiency:

- **Antibody.** AI-assisted humanization and affinity maturation, AI-driven full-range structural optimization, physicochemical optimization, and immunogenicity and binding site prediction;
- **Small Molecules.** AIDD technologies are now driving fundamental innovation in small-molecule platforms and have facilitated the efficient discovery of multiple novel scaffolds with significant differentiation advantages;
- **Target/Antigen.** AI tools are adopted to conduct target gene bioinformatic analysis and multi-species gene expression analysis;
- **Translational Medicine.** Through the use of commercial AI databases and self-built AI platforms, we have optimized the gene pathway analysis and validation as well as toxicity mechanism prediction of innovative targets, molecular dynamics simulation and thermal stability prediction for biologics, and improved the risk control methods of innovative R&D; and
- **Clinical Research.** An intelligent risk monitoring platform has been developed using AI tools to accurately assess and guide clinical monitoring frontline work; in addition, the development of AI-assisted programming languages has effectively improved the work efficiency.

OUR LICENSE AND COLLABORATION ARRANGEMENTS

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

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

- **Collaboration with MSD.** We have entered into license and collaboration agreements with MSD to develop multiple ADC assets for cancer treatment.
 - o **Sac-TMT:** We have granted MSD an exclusive, royalty-bearing and sub-licensable license to develop, use, manufacture and commercialize sac-TMT outside Greater China. We retain the right to develop and commercialize sac-TMT within Greater China. As at August 17, 2026, MSD has initiated 17 ongoing Phase 3 global clinical studies of sac-TMT as a monotherapy or in combination with pembrolizumab or other agents for several types of cancer. The following studies are sponsored and led by MSD:
 - BC.
 - Adjuvant sac-TMT plus pembrolizumab versus TPC in TNBC who received neoadjuvant pembrolizumab plus chemotherapy and did not achieve a pCR at surgery;

MANAGEMENT DISCUSSION AND ANALYSIS

- Sac-TMT as a monotherapy and in combination with pembrolizumab versus TPC in participants with previously untreated locally recurrent unresectable or metastatic TNBC expressing PD-L1 at CPS<10;
 - Sac-TMT as a single agent and in combination with pembrolizumab versus TPC in participants with unresectable locally advanced or metastatic HR+/HER2- BC (after one or more lines of ET);
 - Sac-TMT followed by carboplatin/paclitaxel versus chemotherapy, both in combination with pembrolizumab as neoadjuvant therapy for high-risk, early-stage TNBC or hormone receptor-low positive/HER2-negative BC;
- LC.
- Adjuvant sac-TMT plus pembrolizumab versus pembrolizumab in adult participants with resectable NSCLC not achieving a pCR after receiving neoadjuvant pembrolizumab with platinum-based doublet chemotherapy followed by surgery;
 - Sac-TMT in combination with pembrolizumab versus pembrolizumab monotherapy in the first-line treatment of participants with metastatic NSCLC expressing PD-L1 greater than or equal to 50 percent;
 - Sac-TMT monotherapy versus standard chemotherapy for the treatment of previously treated advanced or metastatic NSCLC with EGFR mutations or other genomic alterations (after 1 or 2 prior lines of EGFR-TKI and 1 platinum-based therapy after progression on or after EGFR-TKI);
 - Sac-TMT versus pemetrexed and carboplatin combination therapy in participants with EGFR-mutated, advanced non-squamous NSCLC who have progressed on prior EGFR-TKI;
 - Sac-TMT in combination with pembrolizumab versus pembrolizumab as maintenance treatment in the first-line treatment of metastatic squamous NSCLC after induction treatment with pembrolizumab plus carboplatin and paclitaxel or nab-paclitaxel;
- Gynecological cancer.
- Sac-TMT monotherapy versus chemotherapy in EC participants who have received prior platinum-based chemotherapy and immunotherapy;
 - Sac-TMT in combination with pembrolizumab versus pembrolizumab alone as treatment in participants with mismatch repair proficient EC;

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

In May 2026, MSD announced that the pivotal Phase 3 TroFuse-005 trial met its primary endpoints of OS and PFS in certain patients with advanced or recurrent EC. TroFuse-005 is the first global Phase 3 trial to demonstrate statistically significant improvement in both OS and PFS compared to chemotherapy for these patients and sac-TMT is the first and only ADC to do so for patients with EC in this setting.

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

- o **Other ADC assets:** In addition to sac-TMT, we are also collaborating with MSD on certain ADC assets to continuously explore favorable ADC pipeline portfolios. Through our ADC pipelines, we aim to cover a wide range of tumor indications via different targets, to apply differentiated payload-linker strategies for ADC assets with different targets to achieve better efficacy and/or differentiated safety profiles, and through various strategies, to explore ADCs in combination. We have granted MSD exclusive global licenses to research, develop, manufacture and commercialize multiple ADC assets and exclusive options to obtain additional licenses to certain other ADC assets. We retain the right to research, develop, manufacture and commercialize certain licenses and option ADCs for Chinese mainland, Hong Kong and Macau.
- **Collaboration with Ellipses Pharma.** In March 2021, we entered into a collaboration and license agreement with Ellipses Pharma, under which we granted Ellipses Pharma an exclusive, revenue sharing, royalty-bearing, sub-licensable license to develop, manufacture and commercialize Lunbotinib Fumarate Capsules. Lunbotinib Fumarate Capsules is known as EP0031 by Ellipses Pharma. The license includes all countries excluding Greater China, North Korea, South Korea, Singapore, Malaysia and Thailand.

MANAGEMENT DISCUSSION AND ANALYSIS

In April 2024, Lunbotinib Fumarate Capsules was cleared by the FDA to progress into Phase 2 clinical development. As at August 17, 2026, a total of 42 clinical sites in the United States, UK, Europe and UAE were set up for Lunbotinib Fumarate Capsules.

- **Collaboration with Windward Bio.** In January 2025, it was announced that we and Harbour BioMed had entered into an exclusive license agreement with Windward Bio, under which we and Harbour BioMed granted Windward Bio an exclusive license for the research, development, manufacturing and commercialization of SKB378/WIN378¹³ globally (excluding Greater China and several Southeast and West Asian countries).

Windward Bio is evaluating SKB378/WIN378 in the POLARIS Phase 2/3 global trial in patients with asthma, and has dosed the first patients in the SIRIUS Phase 2 global study in patients with COPD.

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

In January 2026, Crescent Biopharma announced the regulatory clearance of the IND application for CR-001 by FDA to initiate its global ASCEND Phase 1/2 clinical trial for the treatment of advanced solid tumors, and the trial is ongoing.

MANUFACTURING AND QUALITY MANAGEMENT

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

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

¹³

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

We actively introduce high-quality external CMO resources to establish a flexible production system that integrates complementary in-house and external capabilities, thereby expanding our production capacity reserves and strengthening our ability to meet clinical and commercial supply needs. In preparation for the anticipated ramp-up in commercial production, work relating to post-approval changes to manufacturing sites is progressing in an orderly manner to align our manufacturing footprint with our commercialization plans in compliance with the applicable requirements.

- **Quality Management.** We continuously promote the improvement of a comprehensive quality management system throughout the entire product lifecycle to ensure compliance with cGMP standards and regulatory development trends in China, the United States, and Europe. The Company prioritizes quality, strengthens the segmented contract manufacturing management system for biological products, and achieves collaborative operations across multiple production sites and enterprises by dividing the production process into multiple stages. We have successfully passed the supervisory inspection by the NMPA, the European Union Qualified Person audit and audits conducted by our international partners. Through “standardized division of labor and refined management”, we enhance quality control, drive regulatory innovation, prioritize patients’ benefits, and improve supply chain security and drug accessibility.

COMMERCIALIZATION

We have received marketing authorization for sac-TMT (佳泰莱[®]), tagitanlimab (科泰莱[®]), Cetuximab N01 (达泰莱[®]) and trastuzumab botidotin (舒泰莱[®]) and have commenced their commercialization. We have also filed an NDA for Lunbotinib Fumarate Capsules (宁泰莱[®])¹⁴ and expect to commence its commercialization in the first half of 2027, subject to regulatory communications and receipt of marketing approval.

Our commercialization growth momentum continues to accelerate, with total revenue from sales of pharmaceutical products reaching RMB657.04 million for the first half of 2026, up by 112% compared to the same period last year. The growth is mainly driven by the following factors:

- **Expert Recognition of High-Quality Clinical Data and Shift in Treatment Paradigms**
 - Following the successive commercial launches of multiple innovative products, data from a number of high-quality clinical studies of international caliber have continued to be released, presented at major international academic conferences and published in authoritative international academic journals, thereby continuously reinforcing the evidence-based clinical foundation of our products.

MANAGEMENT DISCUSSION AND ANALYSIS

- As high-quality evidence continues to accumulate, our innovative products have gradually gained recognition among clinical experts. In the first half of 2026, our products were successively included as recommended treatment options in authoritative domestic clinical guidelines and expert consensus documents, such as “Guidelines of CSCO: Breast Cancer 2026 (CSCO乳腺癌診療指南2026)”, “Guidelines of CSCO: Non-Small Cell Lung Cancer 2026 (CSCO非小細胞肺癌診療指南2026)”, “Guidelines of CSCO: Nasopharyngeal Carcinoma 2026 (CSCO鼻咽癌診療指南2026)”, “Guidelines of CSCO: Colorectal Cancer 2026 (CSCO結直腸癌診療指南2026)” (Cetuximab N01 (达泰莱®)), “CBCS&CSOBO Guidelines for Breast Cancer Diagnosis and Treatment (2026 Concise Edition) (CBCS&CSOBO乳腺癌診治指南與規範(2026年精要本))” and “Chinese Medical Association Clinical Practice Guidelines for Lung Cancer (2026 edition) (中華醫學會肺癌臨床診療指南(2026版))”, providing further support for the commercialization process. Sac-TMT (佳泰莱®) also received the core recommendations from the “Expert Consensus on the Clinical Application of TROP2-targeted ADC in NSCLC (2026 edition) (靶向TROP2的ADC應用於NSCLC的專家共識(2026版))”, which serves as an authoritative clinical guideline for the clinical use of TROP2 ADC for the treatment of NSCLC.
- Our market strategy has also become clearer and more focused. Sac-TMT (佳泰莱®) has successfully established among customers the clinical recognition that it is the “standard of care in 2L and the preferred regimen in 3L” in the LC field, and is also the preferred brand among TROP2 ADC in TNBC.
- Meanwhile, through ongoing medical education and academic exchange activities, clinicians have gained a deeper understanding of the products’ mechanisms of action, efficacy, safety and target patient populations. Treatment paradigms have also evolved gradually, further strengthening clinicians’ confidence in adopting innovative treatment regimens.

The foregoing high-quality clinical evidence, expert recognition, guideline recommendations and real-world clinical practice have thus formed a virtuous cycle that accelerates the translation of the clinical value of our products into practice, delivers greater therapeutic benefits to patients and lays a solid foundation for sustained commercial growth.

○ ***Comprehensive Enhancement of Drug Accessibility***

- **Effective translation of the benefits of NRDL inclusion.** Five indications of our 3 commercialized products, including 3L EGFR-mutant NSCLC and 2L+ TNBC of sac-TMT (佳泰莱®) and 1L RAS wild-type mCRC of Cetuximab N01 (达泰莱®), have been included in the 2025 NRDL, which officially took effect on January 1, 2026. This marks sac-TMT (佳泰莱®) the only TROP2 ADC and the only domestic ADC in TNBC/NSCLC under the NRDL. Following NRDL inclusion, strong product efficacy, together with the marked improvement in patient accessibility, has significantly increased physicians’ willingness to prescribe and improved patients’ convenience and experience in using the products. As at August 17, 2026, three indications of sac-TMT (佳泰莱®) (2L EGFR-mutant NSCLC and 2L+ HR+/HER2-BC) and trastuzumab botidotin (舒泰莱®) (2L+ HER2+ BC) have also passed the comprehensive review by experts of 2026 NRDL.

- **Broader hospital access channels.** In the first half of 2026, we rapidly advanced hospital access efforts and broadened various types of medical insurance reimbursement channels, including formal access, temporary procurement and dual-channel arrangements. We have now comprehensively covered hospitals of various tiers across provinces and regions, allowing the value of NRDL inclusion to be realized rapidly and ensuring reimbursement channels to run smoothly. Currently, our businesses cover 30 provinces, over 300 prefectures and over 2,000 hospitals.
- **Continuous expansion of the commercialization team.** As at the end of the Reporting Period, we had established a fully-fledged commercialization team of over 800 people, nearly doubling year-on-year. Within the commercialization team, we have established a comprehensive departmental structure covering marketing, sales, distribution and market access, medical affairs, strategic planning and operational excellence as well as compliance and KA functions. We have deployed resident personnel in each prefecture-level city, achieving extensive grassroots coverage of top-tier hospitals in high-potential districts and counties, establishing a multi-level business network covering core and second-tier cities, as well as provincial and municipal hospitals. We have completed the filing for all medical representatives in accordance with the requirements of the Administrative Measures for Pharmaceutical Representatives (《醫藥代表管理辦法》).

Meanwhile, we continuously upgrade the team's academic capabilities to deliver more diversified and efficient academic promotion activities. For our commercialized products and therapeutic areas, the business team is divided by indications into breast cancer, lung cancer and other tumors areas based on indications, and synergies among the indications of our commercialized products facilitate marketing and promotional activities.

In our commercialization activities, we are committed to maintaining compliant operations and strictly adhere to relevant laws and regulations, including but not limited to the Anti-Unfair Competition Law (《反不正當競爭法》) and the Administrative Measures for Pharmaceutical Representatives (《醫藥代表管理辦法》). To mitigate risks relating to commercial bribery and other compliance matters, we have established an anti-bribery compliance management framework, supported by internal compliance control policies and procedures covering the full life cycle of our commercialization activities. Our key policies and procedures include the Code of Business Conduct (《商業道德行為準則》), the Anti-Corruption Policy (《反腐敗制度》), and the Academic Activity Management Procedures (《學術活動管理流程》). We communicate our compliance policies to all employees and provide them with regular compliance training and awareness programs, and also review and refine relevant policies and procedures from time to time with reference to our business development, applicable regulatory requirements and the results of risk assessment. During the Reporting Period, the Company continued to monitor the implementation of these policies and procedures and intensified its unannounced inspections and in-depth audits of academic activities to support the effective operation of the anti-bribery compliance management framework and ensure that the Company's commercialization activities were conducted in compliance with the applicable laws and regulations and in a prudent and orderly manner.

MANAGEMENT DISCUSSION AND ANALYSIS

AWARDS AND RECOGNITION

In January 2026, the Company was awarded “Best Innovative Rising Biotech Award (最佳潛力型創新醫藥企業獎)” for the First Mount Hua Award for Innovative Drugs by MedJ (醫學界) and TONACEA (同寫意).

In January 2026, the Company was included in the Hurun China Unicorn Graduates 2025 list released by Hurun Research Institute in search of China’s most successful former unicorns, following its inclusion in the 2023 Global Unicorn Index released in April 2023.

In May 2026, the Company was awarded a series of awards under “Asia’s Best Company” by FinanceAsia (亞洲金融), including gold medals for “Best Managed Company (China) – Healthcare”, “Best CEO (China)”, “Best CFO (China)”, etc.

In June 2026, the Company entered the “2026 Fortune China Tech 50” list released by Fortune (財富).

In June 2026, the Company was awarded the “Tianma Award for IRM of Hong Kong Listed Companies (港股上市公司投資者關係管理天馬獎)” by Securities Times (證券時報).

In July 2026, the Company was included in the “2026 Demonstrative Industrial Enterprises of Pharmaceutical R&D Pipeline in China (2026年中國醫藥研發產品線示範工業企業)” list released by the China National Pharmaceutical Industry Information Center (中國醫藥工業信息中心).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We have established a comprehensive three-tier ESG governance structure consisting of the Board of Directors, ESG Working Group and ESG Executive Body. Among them, the Board of Directors serves as the highest responsible and decision-making body for ESG management and information disclosure, guiding and supervising the Company’s ESG development. Through the establishment and continuous improvement of the ESG governance structure, the Company comprehensively enhances ESG performance ability and ensures the Company’s sustainable development. In May 2026, the Company was included in the “China ESG Impact List” by Fortune (財富) and was awarded bronze medal for “Most Committed to ESG (China)” under “Asia’s Best Company” by FinanceAsia (亞洲金融). In March 2026, the Company had received a rating of “AA” in the MSCI ESG Rating Assessment.

To address the climate-related risks outlined in section 5.1 “Responding to Climate Change” in the 2025 ESG report, we have considered proactive response measures, such as the investigation of Scope 1 & 2 greenhouse gas emissions and part of Scope 3 greenhouse gas emissions (employee business travel and employee commuting). In the first half of 2026, we did not identify any material impact of climate-related risks on business-level operations. We have taken climate change as a key issue and communicated with stakeholders through channels such as the ESG report by sending questionnaires to stakeholders and reviewing their responses and other means. We have also taken relevant measures in terms of resource management and emissions management to mitigate and regulate climate change. In addition, we have formulated short-term (1-5 years), medium-term (6-10 years) and long-term (over 10 years) time horizons to further address climate-related risks, such as tracking relevant laws and policies annually to ensure timely response when required.

INDUSTRY AND REGULATION POLICIES

In the first half of 2026, China's anti-tumor drug industry continued its growth trajectory. According to Frost & Sullivan, the market size of China's anti-tumor drugs reached RMB258.2 billion in 2024 and is projected to grow to RMB528.2 billion by 2030, demonstrating significant market growth potential¹⁵. For the year of 2025, over 76 Class 1 innovative drugs received approval in China (more than half and 34 of which were anti-tumor drugs), hitting a five-year high for the same period¹⁶.

The ADC track continues to be a core direction for breakthroughs in domestic innovative drugs. The domestic market size is expected to reach RMB15.9 billion in 2026 and grow to RMB66.2 billion by 2030, representing a compound annual growth rate of approximately 43%¹⁷. The large patient population provides solid support for the oncology drug market. According to the latest 2024 cancer registry data from the National Cancer Center, there were approximately 5.15 million new malignant tumor cases and around 2.58 million cancer deaths nationwide that year. Unmet clinical needs continue to drive innovative R&D and market expansion.

The year of 2026 marks a critical year for leapfrog development of China's innovative drug industry. The Outline of the "15th Five-Year" Plan ("十五五規劃綱要") and the "15th Five-Year" Plan for National Health ("國民健康"十五五"規劃") have been released successively. The two documents have explicitly positioned biomedicine as an emerging pillar industry, requiring drug regulators to adopt extraordinary policies to support areas including original innovation. Meanwhile, for the first time, the improvement of the comprehensive clinical evaluation system for innovative drugs has been incorporated into the top-level design of the five-year plans.

The updated Regulation for the Implementation of the Drug Administration Law ("藥品管理法實施條例"), issued in January 2026, further encouraged drug innovation by elevating proven practices in development, manufacturing, distribution, use and regulation of drugs into institutional arrangements. In March 2026, the General Office of the State Council issued the Several Opinions on Improving the Drug Price Formation Mechanism ("關於健全藥品價格形成機制的若干意見"), clarifying the need to optimize the initial pricing mechanism for newly launched drugs and promote diversified payment and reasonable price formation for innovative drugs. In May 2026, the National Healthcare Security Administration (NHSA) released the Work Plan for the Adjustment of the 2026 NRDL for Basic Medical Insurance, Maternity Insurance and Work-Related Injury Insurance and the Innovative Drug List for Commercial Health Insurance ("2026年國家基本醫療保險、生育保險和工傷保險藥品目錄及商業健康保險創新藥品目錄調整工作方案"), which marks the first introduction of a pre-declaration mechanism and hence opens up a more streamlined access pathway for the industry.

We also closely monitor external uncertainties brought by China-U.S. geopolitical frictions to the innovative drug industry and proactively address potential risks. Leveraging its global footprint, the Company will steadily advance its internationalization strategy.

For other principal risk and uncertainties facing the Group, please refer to the section headed "Principal Risks and Uncertainties" in the annual report of the Company for the year ended December 31, 2025.

¹⁵ Frost & Sullivan, China ADC Market Report 2024–2030.

¹⁶ The 2025 Annual Drug Review Report, NMPA, May 13, 2026.

¹⁷ Frost & Sullivan analysis.

MANAGEMENT DISCUSSION AND ANALYSIS

II. FINANCIAL REVIEW

Overview

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

Revenue

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Revenue from license and collaboration agreements	314,518	628,015
Revenue from provision of research and development service	6,781	12,674
Revenue from sales of pharmaceutical products	657,041	309,756
	978,340	950,445

The Group's revenue for the six months ended June 30, 2026 was RMB978.3 million, representing an increase of 2.9% compared to RMB950.4 million for the six months ended June 30, 2025. The increase was mainly attributable to the increase in the sales of pharmaceutical products which contributed RMB657.0 million in revenue.

Cost of Sales

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Staff costs for R&D staff	19,308	29,123
Trial and testing expenses	121,811	227,006
Cost of goods sold of pharmaceutical products	88,328	16,168
Others	11,990	18,160
Total	241,437	290,457

The Group's cost of sales for the six months ended June 30, 2026 was RMB241.4 million, representing a decrease of 16.9% compared to RMB290.5 million for the six months ended June 30, 2025. The decrease was mainly because staff costs, trial and testing expenses related to collaboration projects decreased continuously.

Gross Profit and Gross Profit Margin

Gross profit represents revenue less cost of sales. As a result of the aforementioned factors, the gross profit of the Group increased by 11.7% from RMB660.0 million for the six months ended June 30, 2025 to RMB736.9 million for the six months ended June 30, 2026.

Our gross profit margin is calculated as gross profit divided by revenue. The gross profit margin of the Group increased from 69.4% for the six months ended June 30, 2025 to 75.3% for the six months ended June 30, 2026.

Other Net Income

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

The Group's other net income for the six months ended June 30, 2026 was RMB752.1 million, representing an increase of RMB720.3 million compared to RMB31.8 million for the six months ended June 30, 2025. The increase was mainly attributable to the receipt of the settlement income from independent third party which is recognized as income for the six months ended June 30, 2026. For further details, please refer to the announcements of the Company dated December 16, 2025 and June 12, 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

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

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

	Six months ended June 30,	
	2026 RMB'000	2025 RMB'000
Staff costs	69,820	60,799
Office and travel expenses	5,172	1,643
Others	4,906	11,402
Total	79,898	73,844

The Group's administrative expenses for the six months ended June 30, 2026 was RMB79.9 million, representing an increase of 8.2% compared to RMB73.8 million for the six months ended June 30, 2025. The increase was primarily attributable to the increase in office expenses.

Selling and Distribution Expenses

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

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

	Six months ended June 30,	
	2026 RMB'000	2025 RMB'000
Staff costs	171,142	94,753
Conference, marketing, administrative expenses and others	219,456	84,172
Total	390,598	178,925

The Group's selling and distribution expenses for the six months ended June 30, 2026 was RMB390.6 million, representing an increase of 118.3% compared to RMB178.9 million for the six months ended June 30, 2025. The increase was primarily attributable to (i) the continuous expanding of our commercialization team; and (ii) increased costs and expenses relating to marketing activities for our products. In particular, since two new indications of sac-TMT had been approved for marketing in October 2025 and February 2026, respectively, and with the continuous advancement of overall commercialization, more comprehensive hospital coverage and the enhanced hospital access efforts, the costs of marketing and academic promotional activities, etc. continued to increase in the first half of 2026. For further details of the commercialization of our products, please see the section headed "Commercialization" of this report.

Research and Development Expenses

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

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

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Staff costs	207,435	201,672
Trial and testing expenses	462,843	289,511
Raw materials	43,927	53,298
Others	54,229	67,058
Total	768,434	611,539

The Group's R&D expenses for the six months ended June 30, 2026 was RMB768.4 million, representing an increase of 25.7% compared to RMB611.5 million for the six months ended June 30, 2025, mainly due to the increase in trial and testing expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

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

The Group's finance costs for the six months ended June 30, 2026 was RMB2.1 million, representing a decrease of 31.3% compared to RMB3.0 million for the six months ended June 30, 2025. The decrease in finance costs was primarily attributable to the decrease in interest expenses on lease liabilities.

Income Tax

During the Reporting Period, our income tax consisted of current tax, withholding tax, and withholding tax refund. For the six months ended June 30, 2025 and 2026, we recorded income tax of RMB-30.4 million and RMB-140.1 million, respectively.

PRC

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

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

United States

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

The Company applied to the Internal Revenue Service to refund the US federal withholding tax and Internal Revenue Service reviewed this application on a case-by-case basis. In 2025, Internal Revenue Service refunded withholding tax of USD6,500,000 (equivalent to RMB46,715,000) to the Company, and for the six months ended June 30, 2026, Internal Revenue Service refunded withholding tax of USD20,500,000 (equivalent to RMB140,052,000) to the Company.

Hong Kong

The provision for Hong Kong Profits Tax for the six months ended June 30, 2026 is calculated at 16.5% (six months ended June 30, 2025: 16.5%) of the estimated assessable profits for the period. There were no assessable profits generating from the subsidiary incorporated in Hong Kong of the Group during the six months ended as at June 30, 2026 and 2025.

Profit/(Loss) for the Reporting Period

As a result of the foregoing, our profit for the six months ended June 30, 2026 was RMB388.0 million, and our loss for the six months ended June 30, 2025 was RMB145.2 million.

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

Dividends

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

Principle of profit distribution

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

Means of profit distribution

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Decision-making mechanism and procedures for specific profit distribution plans

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

Based on the financial status and the operation and development status of the Group, the Group did not have any profit available for distribution so far and hence the Board did not recommend the payment of an interim dividend to shareholders for the six months ended June 30, 2026.

Capital Management

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

Liquidity and Capital Resources

During the Reporting Period, our cash and cash equivalents consisted of cash at bank, net of restricted bank deposits. We had cash and cash equivalents of RMB3,243.8 million and RMB2,775.7 million as at December 31, 2025 and June 30, 2026, respectively. The decrease in our cash and cash equivalents primarily reflected our investment in financial assets.

As at December 31, 2025 and June 30, 2026, the balance of our financial assets measured at FVPL was RMB935.3 million and RMB1,879.0 million, respectively. As at December 31, 2025 and June 30, 2026, the balance of our financial assets measured at FVOCI was nil and RMB122.9 million, respectively. As at December 31, 2025 and June 30, 2026, the balance of our financial assets measured at amortized cost was RMB292.6 million and nil, respectively. Such changes were primarily due to the purchase and maturity of wealth management products acquired by the Company.

Net Cash Generated From Operating Activities

During the Reporting Period, we generated net cash of RMB338.8 million in operating activities, compared to the net cash of RMB373.2 million used in operating activities for the six months ended June 30, 2025. Such cash was primarily generated from the license and collaboration agreements and pharmaceutical products sales. Meanwhile, our primary uses of cash during the Reporting Period were to fund our research and development activities, our selling and distribution activities, the construction of our research and development and manufacturing facilities, and purchase of equipment, machinery and intangible assets.

Borrowings and Gearing Ratio

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

The gearing ratio is calculated by using interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity and multiplied by 100%. As at December 31, 2025 and June 30, 2026, the Group had more cash and cash equivalents than interest-bearing borrowings and lease liabilities and thus, gearing ratio is not applicable.

Net Current Assets

The Group's net current assets as at June 30, 2026 were RMB4,642.6 million, representing an increase of 12.0% compared to net current assets of RMB4,144.1 million as at December 31, 2025 primarily because of the sustained cash flow from operating activities and the reduction in contract liabilities.

Currency Risk

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

Due to the continued appreciation of the RMB, the company increased RMB deposits and reduced foreign currency deposits during the Reporting Period to mitigate exchange rate losses.

Pledge of Shares

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

Significant Investments, Material Acquisitions and Disposals

As at June 30, 2026, we did not hold any significant investments. For the Reporting Period, we did not have material acquisitions or disposals of subsidiaries, associates and joint ventures.

Capital Expenditure

For the six months ended June 30, 2026, the Group's total capital expenditure amounted to approximately RMB26.6 million, which was mainly used in purchasing R&D instruments and equipment.

Charge on Assets

As at June 30, 2026, there was no charge on assets of the Group.

Contingent Liabilities

As at June 30, 2026, we did not have any contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

Employees and Remuneration Policies

As at June 30, 2026, we had around 2,300 employees in total. During the period, the total cost of employees (including remuneration of directors and senior management, equity-settled share-based payment) amounted to approximately RMB501.8 million (six months ended June 30, 2025: RMB399.9 million).

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

Future Investment Plans and Expected Funding

We are strategically pursuing investment and/or acquisition opportunities to drive our long-term growth, and will make further announcements in accordance with the Listing Rules, where applicable, if any investments and acquisition opportunities materialize.

III. PROSPECTS

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

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

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

In the second half of 2026, our main goal is to advance our pipeline of over 10 clinical-stage assets. We plan to accelerate the clinical development process of our clinical stage assets. We expect to continue to strengthen the establishment of our ADC and novel DC pipelines, promote the joint management of projects under collaboration with our partners and receive further milestone payments. We have sufficient resources, including but not limited to unutilized net proceeds from previous placings, out-licensing income and sales income from commercialized products, which can fully support our clinical development plans; as at the end of the Reporting Period, our cash, cash equivalents and financial assets balance amounted to RMB4.78 billion.

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

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

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

Further replacement of chemo-based cancer therapies.

- Developing ADCs targeting novel targets and target combinations, such as (i) biparatopic antibodies that target different, non-overlapping binding sites on a single antigen to improve efficacy by promoting cellular uptake of an ADC; (ii) bsAbs that target two different antigens co-expressed on the same cancer cells to improve binding specificity toward cancer cells and reduce off-tumor toxicity; and (iii) TAA-IO bsAbs to enhance anti-tumor effect by simultaneously targeting TAA on tumor cells and IO antigen.
- Expanding payloads beyond common cytotoxic agents. In addition to new topoisomerase and tubulin inhibitors with optimized drug-like properties, DNA-damaging reagents and other novel cytotoxic agents and their combinations (dual-payload ADCs) are developed to deal with drug resistance and suboptimal therapeutic index of current ADC-based therapies.
- Optimizing our conjugation technologies to enable precise control of the positioning and number of conjugated payloads including dual payloads. To match the needs of constructing ADCs with appropriate drug load and types, and binding sites, we have developed site-specific conjugating technologies that allow precise control of DAR value, such as enzymatic conjugation and glycan-specific conjugation, and this is realized via a practical and cost-effective CMC process without complicated antibody engineering or modification.

Expansion into non-chemo-based cancer therapies.

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

Exploration beyond cancer.

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

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

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

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

Commercialization. Looking ahead, we will systematically drive commercialization progress by leveraging the upcoming new indications and indications newly covered by the NRDL, thereby to benefit more patients:

- *Lung cancer.* We are actively advancing sac-TMT (佳泰莱®) into the 2L EGFR-mutant NSCLC setting. Leveraging its efficacy, safety and dosing convenience as a monotherapy, we will strengthen its differentiated competitive positioning and lay the foundation for rapid volume growth following the implementation of NRDL coverage. Over the longer term, we are expanding the clinical development of sac-TMT (佳泰莱®) beyond EGFR-mutant patient population to the larger first-line driver-gene-negative NSCLC population. Based on the encouraging clinical efficacy data disclosed to date, upon approval of this indication next year, we expect sac-TMT (佳泰莱®) to reshape the first-line treatment landscape for driver-gene-negative NSCLC, and potentially become a new standard of care. Accordingly, sac-TMT (佳泰莱®) will continue to expand patient coverage and market share in lung cancer, further cementing its position as a market leader in NSCLC;
- *Breast cancer.* We will continue to promote the clinical use of ADCs in the second-line and later-line treatment of advanced TNBC and HR+/HER2- breast cancer, reinforce the clinical status of ADCs as a standard treatment option, and further increase market penetration of ADC-based therapies. Meanwhile, in view of the differences between sac-TMT (佳泰莱®) and HER2 ADCs in terms of their therapeutic targets, eligible patient populations, payload characteristics and safety profiles, we will continue to reinforce the differentiated clinical positioning of TROP2 ADCs versus HER2 ADCs, thereby providing patients with a broader range of treatment options. In the second-line and later-line setting for TNBC, sac-TMT (佳泰莱®) has established clinical recognition as the preferred treatment and secured a clear leading market share. In HR+/HER2- breast cancer, a large patient segment, sac-TMT (佳泰莱®) has demonstrated meaningful PFS and OS benefits across patients with varying levels of HER2 expression, thereby supporting further market-share growth and laying the foundation for rapid volume growth following the future inclusion of this indication in the NRDL; and

- *Other tumors.* In the first half of 2026, Cetuximab N01 (达泰莱®) expanded its market coverage, supported by the definitive clinical efficacy data from the world's first head-to-head Phase III pivotal study and its competitive pricing strategy. Given the large population of patients with RAS wild-type metastatic colorectal cancer in China, we will continue to promote the standardization of molecular biomarker testing for colorectal cancer and increase the gene-testing rate among colorectal cancer patients, thereby further unlocking the growth potential of the EGFR mAb category. As an EGFR mAb offering advantages in brand recognition and cost-effectiveness, Cetuximab N01 (达泰莱®) has significant market growth potential. By continuing to intensify our efforts to develop key hospitals and expand into lower-tier markets, we expect to benefit a broader population of colorectal cancer patients in China.

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

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

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

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

None of the Company or any of its subsidiaries has made any purchase, sale or redemption of the listed securities of the Company (including sale or transfer of treasury shares) during the six months ended June 30, 2026.

The Company has not made any sales or transfer of treasury shares on the Stock Exchange during the six months ended June 30, 2026. As at June 30, 2026, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of the shareholders as a whole. The Company has adopted corporate governance practices based on the principles and code provisions as set out in the CG Code as contained in Appendix C1 to the Listing Rules as its own code of corporate governance practices.

The Company has strictly complied with the CG Code during the six months ended June 30, 2026.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Upon specific enquiry, all Directors confirmed that they have complied with the Model Code during the six months ended June 30, 2026. In addition, the Company is not aware of any non-compliance with the Model Code by the senior management of the Group during the six months ended June 30, 2026.

REMOVAL OF “B” MARKER FROM STOCK CODE

As the Company has satisfied the relevant requirements under the Listing Rules, following an application to the Stock Exchange pursuant to Rule 18A.12 of the Listing Rules, the Stock Exchange has approved the dis-application of Rules 18A.09 to 18A.11 of the Listing Rules to the Company and the removal of the “B” marker from the stock code of the Company, effective from April 14, 2026.

COMPLETION OF H SHARE FULL CIRCULATION

The conversion of 3,572,088 Domestic Shares and 4,642,190 Unlisted Foreign Shares of the Company (the “**Converted H Shares**”) was completed on April 17, 2026 and the listing of the Converted H Shares on the Stock Exchange commenced on April 20, 2026.

For further details, please refer to the Company's announcement dated April 17, 2026.

EVENTS AFTER THE REPORTING PERIOD

On July 10, 2026, the placing of 5,838,000 H Shares (with an aggregate nominal value of RMB5,838,000) to not less than six placees at the placing price of HK\$470.20 per Share was completed. The net proceeds amounted to approximately HK\$2,723.4 million. For further details, please refer to the section headed “USE OF NET PROCEEDS FROM THE JULY 2026 PLACING” in this report.

In September, 2026, Windward Bio, our partner, has reported positive interim results from the Phase 2 portion of the POLARIS-1 clinical trial of SKB378/WIN378, a fully human ultra-long-acting monoclonal antibody targeting TSLP, in asthma.

In September, 2026, our results from the Phase 3 study of trastuzumab botidotin for the treatment of 2L+ HER2+ BC were published at *Journal of Clinical Oncology* (Impact Factor=44.7).

In September, 2026, we presented the clinical data on studies of sac-TMT at WCLC:

- Sac-TMT in patients with previously treated advanced NSCLC with actionable genomic alterations other than classic EGFR mutations; and
- Sac-TMT in EGFR-mutated NSCLC patients with ≥ 3 metastatic sites: subgroup analysis of OptiTROP-Lung04.

Save as disclosed above, the Company is not aware of any material subsequent events from June 30, 2026 to the date of this report.

REVIEW OF INTERIM RESULTS

The Audit Committee comprises three independent non-executive Directors, namely Dr. LI Yuedong, Dr. TU Wenwei and Dr. ZHENG Qiang. The chairman of the Audit Committee is Dr. LI Yuedong who holds the appropriate qualification as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026 with the management and the auditor of the Company. The Audit Committee considered that the interim financial information is in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management of the Company.

The independent auditor of the Company, namely KPMG, has carried out a review of the interim financial information in accordance with the Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

RESIGNATION OF JOINT COMPANY SECRETARY AND CHANGE OF AUTHORIZED REPRESENTATIVE

On July 7, 2026, the Board announced that the Stock Exchange had confirmed that Mr. ZHOU Zejian (“**Mr. ZHOU**”) is qualified to act as the company secretary of the Company under Rule 3.28 of the Listing Rules. On July 7, 2026, Mr. CHUNG Ming Fai (“**Mr. CHUNG**”) tendered his resignation as a joint company secretary of the Company and an authorized representative of the Company under Rule 3.05 of the Listing Rules (“**Authorized Representative**”), each with effect from July 11, 2026.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Following the resignation of Mr. CHUNG, Mr. ZHOU acts as the sole company secretary of the Company and an Authorized Representative, each with effect from July 11, 2026.

For further details, please refer to the Company's announcement dated July 7, 2026.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended June 30, 2026 (June 30, 2025: nil).

CHANGE OF INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

The following sets out the changes in the particulars of Directors, and chief executives of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the publication of the annual report of the Company for the year ended December 31, 2025:

- Dr. GE Junyou:
 - was appointed as a director of Konas (Chongqing) Pharmaceutical Co., Ltd. (科納斯(重慶)製藥有限公司) with effect from May 2026.
 - was appointed as a director of Kelun-Biotech Singapore Pte. Ltd. with effect from July 2026.
 - served as an executive director and a manager of Sichuan Konas from November 2021 to April 2026, and was re-designated as a director and a manager of Sichuan Konas with effect from April 2026.
 - served as an executive director and a manager of Sichuan Kelun-Biotech Targeted Biologic Engineering Research Center Co., Ltd. (四川科倫博泰生物靶向藥物工程研究中心有限公司) from March 2023 to April 2026, and was re-designated as a director and a manager of Sichuan Kelun-Biotech Targeted Biologic Engineering Research Center Co., Ltd. (四川科倫博泰生物靶向藥物工程研究中心有限公司) with effect from April 2026.
- Mr. FENG Hao was rated 5A in the "Performance Evaluation for Secretaries of Listed Companies" by the China Association for Public Companies for four consecutive years since 2022.
- Mr. ZENG Xuebo ceased to act as a non-executive director of Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業股份有限公司) (a company listed on the Stock Exchange (Stock Code: 06887)), with effect from June 2026.
- Dr. LI Yuedong:
 - ceased to act as an independent director of Chengdu Huamicro Technology Co., Ltd. (成都華微電子科技股份有限公司) (a company listed on the Shanghai Stock Exchange (Stock Code: 688709)) with effect from May 2026;

CORPORATE GOVERNANCE AND OTHER INFORMATION

- ceased to be a research fellow of the Institute of Chartered Accountants in England and Wales (ICAEW);
- has served as an independent director of Ya'an Baitu Advanced Materials Co., Ltd. (雅安百圖高新材料股份有限公司) (a company listed on the National Equities Exchange and Quotations (Stock Code: 875029) since January 2026) with effect from September 2022;
- was appointed as an independent director (independent non-executive director) of Tianqi Lithium Corporation (天齊鋰業股份有限公司) (a company listed on the Shenzhen Stock Exchange (Stock Code: 002466) and the Stock Exchange (Stock Code: 9696)) with effect from April 2026;
- was appointed as a member of the 3rd National Audit Informatization Standardization Technical Committee with effect from April 2026; and
- was appointed as a consulting expert of the 4th Internal Control Standards Committee under the Ministry of Finance with effect from June 2026.

Save as disclosed above, there has been no other change in the information of the Directors, and chief executives of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules as at the date of this report.

DIRECTORS' RIGHT TO PURCHASE SHARES OR DEBENTURES

During the Reporting Period, other than the Pre-IPO Employee Incentive Scheme and the 2025 Share Incentive Scheme, the Company did not grant any rights to acquire benefits by means of the acquisition of Shares or debentures of the Company to any Directors or their respective spouses or minor children under the age of 18 years, and none of them has exercised such rights.

As at the end of the Reporting Period, other than the Pre-IPO Employee Incentive Scheme and the 2025 Share Incentive Scheme, none of the Directors or their respective spouses or minor children under the age of 18 years were granted with rights, or had exercised any such rights, to acquire benefits by means of purchasing Shares or debentures of the Company. No member of the Group was a party to any arrangements to enable the Directors or their respective spouses or minor children under the age of 18 years to acquire such rights from any other body corporates.

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

As at June 30, 2026, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors and chief executive(s) of the Company are taken or deemed to have under such provisions of the SFO) or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

CORPORATE GOVERNANCE AND OTHER INFORMATION

(a) Interest in the Shares of the Company

Name of Director or chief executive	Position	Nature of Interest	Number and types of Shares held ⁽¹⁾	Approximate percentage of shareholding in the relevant types of Shares ⁽¹⁾ (%)	Approximate percentage of shareholding in the total issued Shares ⁽¹⁾ (%)
LIU Gexin	Chairman of the Board and non-executive Director	Interest in controlled corporation ⁽²⁾	87,261,643 H Shares (L) ⁽²⁾	51.03	37.42
		Interest in controlled corporation ⁽³⁾	62,201,712 Domestic Shares (L) ⁽³⁾	100.00	26.67
GE Junyou	Executive Director, general manager and chief executive officer	Other ⁽⁴⁾	1,928,466 H Shares (L) ⁽⁴⁾	1.13	0.83
LAI Degui	Non-executive Director	Other ⁽⁵⁾	349,000 H Shares (L) ⁽⁵⁾	0.20	0.15
FENG Hao	Non-executive Director	Other ⁽⁶⁾	349,000 H Shares (L) ⁽⁶⁾	0.20	0.15
LIAO Yihong	Non-executive Director	Other ⁽⁷⁾	170,000 H Shares (L) ⁽⁷⁾	0.10	0.07

Notes:

- (1) As at June 30, 2026, the Company had a total of 233,185,969 issued Shares, consisting of (i) 62,201,712 Domestic Shares and (ii) 170,984,257 H Shares. All Shares are ordinary shares.
- (2) Mr. LIU Gexin is deemed as the actual controller of Kelun Pharmaceutical. Kelun Pharmaceutical is interested in a total of 87,261,643 H Shares, comprising (i) 57,777,843 H Shares directly held as beneficial owner; (ii) 4,567,700 H Shares held by Kelun International, a wholly-owned subsidiary of Kelun Pharmaceutical and (iii) 24,916,100 H Shares held by the Employee Incentive Platforms, the general partner of which is Kelun Jingchuan, a wholly-owned subsidiary of Kelun Pharmaceutical.
- (3) Mr. LIU Gexin is deemed as the actual controller of Kelun Pharmaceutical. Kelun Pharmaceutical directly held 62,201,712 Domestic Shares as beneficial owner.
- (4) Includes (i) 1,909,000 H shares underlying the share awards granted to Dr. GE Junyou under the Pre-IPO Employee Incentive Scheme which are held by Kelun Huicai and Kelun Huizhi; and (ii) Dr. GE's entitlement to 19,466 H Shares underlying the RSUs granted to him under the 2025 Share Incentive Scheme, which will be satisfied by issuance of new H Shares.
- (5) Mr. LAI Degui has been granted share awards under the Pre-IPO Employee Incentive Scheme held by Kelun Huicai, corresponding to a total of 349,000 H Shares.
- (6) Mr. FENG Hao has been granted share awards under the Pre-IPO Employee Incentive Scheme held by Kelun Huicai, corresponding to a total of 349,000 H Shares.
- (7) Ms. LIAO Yihong has been granted share awards under the Pre-IPO Employee Incentive Scheme held by Kelun Huicai, corresponding to a total of 170,000 H Shares.
- (L) Long position.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(b) Interest in the shares of associated corporations

Name of associated corporation	Name of Director or chief executive	Position	Nature of Interest	Number of shares ⁽⁶⁾ held in the associated corporation	Approximate percentage of shareholding in the total issued shares of the associated corporation (%)
Kelun Pharmaceutical ⁽²⁾	LIU Gexin	Chairman of the Board and non-executive Director	Beneficial owner	379,128,280 (L)	23.83 ⁽¹⁾
	GE Junyou	Executive Director and general manager	Beneficial owner	295,000 (L)	0.02 ⁽¹⁾
	LIU Sichuan	Non-executive Director	Beneficial owner	8,346,286 (L)	0.52 ⁽¹⁾
	LAI Degui	Non-executive Director	Beneficial owner	446,699 (L)	0.03 ⁽¹⁾
	FENG Hao	Non-executive Director	Beneficial owner	431,534 (L)	0.03 ⁽¹⁾
	LIAO Yihong	Non-executive Director	Beneficial owner	121,667 (L)	0.01 ⁽¹⁾
Zhejiang Keyun ⁽³⁾	LAI Degui	Non-executive Director	Beneficial owner	2,000,000 (L)	10.00 ⁽⁵⁾
			Interest in controlled corporation ⁽⁴⁾	3,200,000 (L) ⁽⁴⁾	16.00 ⁽⁵⁾
	FENG Hao	Non-executive Director	Beneficial owner	2,000,000 (L)	10.00 ⁽⁵⁾
			Interest in controlled corporation ⁽⁴⁾	3,200,000 (L) ⁽⁴⁾	16.00 ⁽⁵⁾

Notes:

- (1) As at June 30, 2026, Kelun Pharmaceutical had a total of 1,590,781,208 issued shares.
- (2) Kelun Pharmaceutical is the holding company of the Company and therefore an associated corporation of the Company.
- (3) Zhejiang Keyun IOT Technology Co., Ltd. (浙江科運物聯科技有限公司) (“**Zhejiang Keyun**”) is a subsidiary of Kelun Pharmaceutical and therefore an associated corporation of the Company.
- (4) Each of Lishui Keyun Yaotong Logistics Technology Limited Partnership (麗水市科運耀通物流科技合夥企業(有限合夥)) (“**Keyun Yaotong**”) and Lishui Keyun Rentong Logistics Technology Limited Partnership (麗水市科運仁通物流科技合夥企業(有限合夥)) (“**Keyun Rentong**”) held RMB1,600,000 registered capital of Zhejiang Keyun. Mr. LAI Degui and Mr. FENG Hao each held 50% partnership interest in each of Keyun Yaotong and Keyun Rentong and is therefore deemed to be interested in the registered capital of Zhejiang Keyun held by Keyun Yaotong and Keyun Rentong.
- (5) As at June 30, 2026, Zhejiang Keyun had a total of RMB20,000,000 registered capital.
- (6) All ordinary shares.
- (L) Long position.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at June 30, 2026, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 352 of the SFO or which was required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

To the best knowledge of the Company based on public information, as at June 30, 2026, the interests or short positions of the following persons (other than the Directors and chief executives of the Company) in the Shares or underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests or short positions which any such persons other than the Directors and chief executives of the Company are taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholder	Nature of Interest	Number and types of Shares held ⁽¹⁾	Approximate percentage of shareholding in the relevant types of Shares ⁽¹⁾ (%)	Approximate percentage of shareholding in the total issued Shares ⁽¹⁾ (%)
Kelun Pharmaceutical	Beneficial owner	57,777,843 H Shares (L)	33.79	24.78
	Interest in controlled corporations ⁽²⁾	29,483,800 H Shares (L) ⁽²⁾	17.24	12.64
	Beneficial owner ⁽³⁾	62,201,712 Domestic Shares (L) ⁽³⁾	100.00	26.67
Kelun Jingchuan	Interest in controlled corporations ⁽⁴⁾	24,916,100 H Shares (L) ⁽⁴⁾	14.57	10.69
Merck & Co., Inc. ⁽⁵⁾	Interest in controlled corporation ⁽⁵⁾	13,443,693 H Shares (L)	7.86	5.77
Merck Sharp & Dohme LLC ⁽⁵⁾	Beneficial owner	13,443,693 H Shares (L)	7.86	5.77
DFZQ ⁽⁶⁾	Interest in controlled corporations ⁽⁷⁾	8,595,200 H Shares (L)	5.03	3.69
China Universal Asset Management Co., Ltd. ⁽⁷⁾	Beneficial owner	8,595,200 H Shares (L)	5.03	3.69

Notes:

- (1) As at June 30, 2026, the Company had a total of 233,185,969 issued Shares, consisting of (i) 62,201,712 Domestic Shares, and (ii) 170,984,257 H Shares. All Shares are ordinary shares.
- (2) Kelun Pharmaceutical is interested in a total of 87,261,643 H Shares, comprising (i) 57,777,843 H Shares directly held as beneficial owner; (ii) 4,567,700 H Shares held by Kelun International, a wholly-owned subsidiary of Kelun Pharmaceutical and (iii) 24,916,100 H Shares held by the Employee Incentive Platforms, the general partner of which is Kelun Jingchuan, a wholly-owned subsidiary of Kelun Pharmaceutical.
- (3) Kelun Pharmaceutical directly held 62,201,712 Domestic Shares as beneficial owner.
- (4) Kelun Jingchuan is the general partner of the Employee Incentive Platforms, which in aggregate held 24,916,100 H Shares.
- (5) Merck Sharp & Dohme LLC is a wholly-owned subsidiary of Merck & Co., Inc., a company listed on the New York Stock Exchange (stock code: MRK).
- (6) DFZQ (東方證券股份有限公司) is a company listed on The Stock Exchange of Hong Kong Limited (stock code: 03958.HK).
- (7) DFZQ is interested in 8,595,200 H Shares, which are held by China Universal Asset Management Company Limited. China Universal Asset Management Company is a non-wholly owned subsidiary of DFZQ.
- (L) Long position.

Save as disclosed above, as at June 30, 2026, no person (other than the Directors and chief executives of the Company as set out in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and debentures of the Company and its Associated Corporations” in this report) had any interests or short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company or the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PRE-IPO EMPLOYEE INCENTIVE SCHEME

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

The Company has established the Employee Incentive Platforms, in the form of limited partnerships. As at June 30, 2026, awards corresponding to a total of 22,786,250 Shares have been granted to the participants pursuant to the Pre-IPO Employee Incentive Scheme.

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

1. Summary of terms

(a) Purpose

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

(b) Form of Scheme

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

(c) Participants

The participants include the senior management, key technical personnel and other core employees, Directors, Supervisors or consultants of the Company, Sichuan Konas and KLUS PHARMA. The equity incentive management committee shall determine or adjust the scope of participants and the incentive shares after considering factors such as the employee's working years, on-boarding situations, annual appraisal performance, nature of the job, seniority, and sense of corporate identity.

(d) Total Number of Incentive Shares

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

(e) Subscription Price of the Incentive Shares

The subscription price of the incentive shares is based on comprehensive consideration of factors and is determined by the equity incentive management committee according to the following principles:

The subscription price for the first batch of participants to subscribe and pay for the incentive shares in 2017 is RMB1.00 per share, and the price for subsequent batches of participants to subscribe and pay for the incentive shares is calculated as: $\text{RMB}1.00 \times (1 + 6\% \times N)$ ("N" refers to the number of years, "N" is calculated by the calendar year in which such participants were granted incentive shares for the first time less 2017).

(f) *Payment of Incentive Share Price*

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

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

(g) *Distribution Method of the Incentive Shares*

- (1) **Original distribution:** Based on the factors such as the current working years and previous performance, the equity incentive management committee will determine the scope of participants and the number of the incentive shares. Unless approved by the equity incentive management committee, the cumulative incentive shares held by a single natural person through this method shall not exceed 0.5% of the total incentive shares. The employees who have obtained the original distribution shares are regarded as the first batch of participants, and shall make the payment in installments and are deemed to have obtained the incentive shares at the establishment of the limited partnerships.
- (2) **Annual appraisal distribution:** According to the annual appraisal by the Company and associated subsidiaries, the equity incentive management committee has the right to decide to add new participants or increase the number of the incentive shares of existing participants every year.
- (3) Unless approved by the equity incentive management committee, the cumulative incentive shares held by a single natural person shall not exceed 1% of the total incentive shares subscribed through the original distribution and annual appraisal distribution.

(h) *Distribution Procedures of the Incentive Shares*

The equity incentive management committee is responsible for the distribution of the incentive shares. In general, the distribution procedures are as follows:

- (1) The equity incentive management committee decides the specific conditions for eligible participants, the allocation of the incentive shares among different internal departments and divisions, the preliminary grantee list and the number of shares proposed to be granted.
- (2) The management of relevant departments of the Company and its subsidiaries is responsible for formulating departmental allocation plans, selecting the participants from the lists, determining the number of incentive shares, and submitting the departmental allocation plans to the equity incentive management committee.

- (3) The equity incentive management committee is responsible for making the final decisions about the selected participants and number of the incentive shares to be granted to each selected participants.
- (4) The selected participants shall sign relevant legal documents and pay the subscription price in accordance with the arrangement and instructions of the equity incentive management committee.

(i) Obligations of Participants

The main obligations of participants are as follows:

- (1) The incentive shares held by participants shall be locked up for a period of 4 years from the effective date of the incentive shares grant agreement. During the 4-year lock-up period, participants are not allowed to transfer the incentive shares to any third party, nor use the incentive shares for guarantee or repayment of debts. During the lockup period, if participants rescind or terminate the labor or business relationship with the Company or its subsidiaries, participants shall follow the relevant arrangements to cooperate with the executive partner to go through the relevant procedures for repurchasing their incentive shares. Participants shall voluntarily commit to continuing to hold the incentive shares for more than 1 year after the expiration of the lock-up period.
- (2) Individual income tax arising from withdrawal, holding or transfer of the incentive shares, dividends or other activities shall be borne by participants themselves.
- (3) Participants are obliged to abide by other relevant administration measures formulated by Kelun Pharmaceutical and the Company at the general meetings, the meetings of Board of Directors and the meetings of the Equity Incentive Committee.

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

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

(k) Overall Repurchase of the Incentive Shares

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

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

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

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

(m) Equity Incentive Management Committee

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

- (1) handling specific matters such as the selection of participants, determination of allocated shares, and payment arrangements for the incentive shares in line with the Board;
- (2) daily management of agreements and documents;
- (3) formulating and revising the rules of procedure of the equity incentive management committee; and
- (4) other matters concerning the equity incentive management committee.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at June 30, 2026, awards corresponding to a total of 22,786,250 Shares, representing approximately 75.95% of the total Shares under the Pre-IPO Employee Incentive Scheme, have been granted to the participants. Save as disclosed below, no awards have been granted to other connected persons of our Group.

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

Name	Position	Relevant Employee Incentive Platforms	Number of shares corresponding to awards granted to the participants as at June 30, 2026	Approximate shareholding percentage corresponding to awards in the total number of shares in issue as at June 30, 2026
Dr. GE Junyou (葛均友)	Executive Director and general manager	Kelun Huicai	2,100,000	0.90%
		Kelun Huizhi	150,000	0.06%
Mr. LAI Degui (賴德貴)	Non-executive Director	Kelun Huicai	465,000	0.20%
Mr. FENG Hao (馮昊)	Non-executive Director	Kelun Huicai	465,000	0.20%
Ms. LIAO Yihong (廖益虹)	Non-executive Director	Kelun Huicai	170,000	0.07%
Mr. FENG Yi (馮毅)	Deputy general manager, chief strategy officer and senior vice president	Kelun Huicai	1,230,000	0.53%
Dr. ZHANG Yiwei (張一偉)	Deputy general manager	Kelun Huineng	350,000	0.15%
Dr. TAN Xiangyang (譚向陽)	Deputy general manager and chief scientific officer of large molecule	Kelun Huineng	350,000	0.15%
Dr. YU Wensheng (俞文勝)	Deputy general manager and chief science officer of small molecule	Kelun Huineng	120,000	0.05%
Dr. JIN Xiaoping (金小平)	Deputy general manager and chief medical officer	Kelun Huicai	630,000	0.27%
Mr. ZHOU Zejian (周澤劍)	Chief financial officer and company secretary	Kelun Huide	950,000	0.41%
Mr. DING Nanchao (丁南超)	Deputy general manager and chief marketing officer	Kelun Huizhi	450,000	0.19%
Mr. CHEN Wei (陳巍)	Deputy general manager	Kelun Huide	150,000	0.06%

2025 SHARE INCENTIVE SCHEME

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

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

1. Summary of terms

(a) Purpose

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

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

(b) Condition

The 2025 Share Incentive Scheme is conditional upon the listing committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the new H Shares to be allotted and issued (and/or transferred out of treasury) underlying the share awards granted in accordance with the terms and conditions the 2025 Share Incentive Scheme (the "**Listing Approval Condition**"). The Listing Approval Condition has been satisfied.

(c) Limit of the 2025 Share Incentive Scheme

The maximum number of the Shares which will be issued in respect of all share awards involving issue of new H Shares (including the Shares to be allotted and issued using treasury shares) that may be granted under the 2025 Share Incentive Scheme adopted by the Company must not in aggregate exceed 3,500,000 H Shares, which is expected to represent approximately 1.5% of the total number of Shares in issue (excluding treasury shares (if any)) as at June 30, 2026.

(d) *Individual Limit*

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

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

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

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

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

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

(f) Vesting Period

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

- (i) grants of "make-whole" share awards to new joiners to replace the share awards or options they forfeited when leaving their previous employers;
- (ii) grants to a participant whose employment is terminated due to death or disability or occurrence of any out of control event. In those circumstances the vesting of share awards may accelerate;
- (iii) grants to a participant that are subject to a vesting schedule incorporating both timebased and performance-based conditions may be eligible for accelerated vesting, in whole or in part, in the event that the applicable performance targets are achieved or materially exceeded ahead of the originally prescribed timeline;

- (iv) grants that are made in batches during a year for administrative or compliance reasons, which include share awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for a subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the share awards would have been granted;
- (v) grants with a mixed or accelerated vesting schedule such as where the share awards may vest evenly over a period of twelve (12) months, or where the share awards may vest by several batches with the first batch to vest within twelve (12) months of the Date of Grant and the last batch to vest twelve (12) months after the Date of Grant;
- (vi) grants with performance-based vesting conditions provided in the 2025 Share Incentive Scheme or as specified in the offer documentation in lieu of time-based vesting criteria; and
- (vii) grants with a total vesting period of more than twelve (12) months.

(g) Purchase Price

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

(h) Performance Targets

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

(i) *Clawback Mechanism*

In the event that:

- (i) Where a Grantee experiences any of the following circumstances of a non-culpable exit, unvested incentive Shares shall automatically lapse; for vested incentive Shares, in accordance with relevant foreign exchange regulatory requirements, the Grantee (or their legal representative) shall realise the Shares on the secondary market within 180 days from the date of termination or cessation of the labour relationship/service relationship/employment relationship (hereinafter collectively referred to as the “**Employment Relationship**”) is terminated or dissolved, which facilitates the Company’s smooth assistance in completing foreign exchange reporting and profit settlement for the Grantee. Should the Grantee (or his/her legal representative) fail to realise the Shares on the secondary market within 180 days of the termination or cessation of the Employment Relationship, the Company shall arrange for the exit of relevant equity interests in the following circumstances: 1) death, or being declared dead or missing by the People’s Court; 2) reaching statutory retirement age, or reaching statutory retirement age where the Company offers re-employment but no agreement is reached; 3) loss of working capacity due to work-related injury; 4) illness or non-work-related injury where, after the prescribed medical leave expires, the individual cannot perform his/her original role nor any alternative role arranged by the Company; 5) upon expiry of the employment contract (or service agreement, consultancy agreement or similar arrangement) which the Company elects not to renew; 6) inability to perform duties, persisting after training or reassignment; 7) submission of a resignation application to the Company; 8) termination of the employment contract (or service agreement, consultancy agreement, etc.) by mutual agreement with the Company; 9) termination of the employment contract (or service agreement, consultancy agreement, etc.) by the Company due to its downsizing; 10) termination or cessation of the Employment Relationship arising from circumstances other than those constituting culpable exit; and 11) other circumstances recognised by the equity incentive management committee as constituting non-culpable exit.
- (ii) Where a Grantee experiences any of the following circumstances of a culpable exit, unvested incentive Shares shall automatically lapse; vested incentive Shares shall be subject to mandatory clawback in accordance with the Company’s requirements, with related gains recovered. The Company reserves the right to terminate the employment contract (or service agreement, consultancy agreement or similar arrangement). Where losses are incurred by the Company, the Company further reserves the right to seek compensation from the Grantee for damages to the Company’s interests or reputation in the following circumstances: 1) during employment, involvement in illegal or disciplinary violations such as accepting bribes, soliciting bribes, misappropriation, theft, or disclosure of business or technical secrets, causing damage to the Company or adversely affecting its reputation; 2) serious dereliction of duty, misconduct, or fraud for personal gain, causing substantial damage to the Company; 3) being subject to criminal liability for criminal acts and being unable to perform duties; 4) violation of the Company’s non-competition restrictions; 5) material breach of the Company’s labour discipline or regulations; 6) other circumstances recognised by the equity incentive management committee as constituting culpable exit.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

(j) Duration of the 2025 Share Incentive Scheme

The 2025 Share Incentive Scheme shall be valid and effective for the period of ten years commencing on the date on which the 2025 Share Incentive Scheme is conditionally adopted by the Shareholders at the extraordinary general meeting of the Company convened on December 31, 2025 ("**Adoption Date**"). After the expiry of the Scheme Period (being tenth (10th) anniversary of the Adoption Date), no further share awards shall be offered or granted, but in all other respects the provisions of the 2025 Share Incentive Scheme shall remain in full force and effect to the extent necessary to give effect to the settlement of any share awards granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Incentive Scheme.

(k) Administration

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

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

(l) Termination

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

2. Scheme Mandate Limit

3,500,000 H Shares were available for grant under the scheme mandate limit as at January 1, 2026. During the Reporting Period, a total of 435,064 RSUs had been granted under the 2025 Share Incentive Scheme. 3,064,936 H Shares are available for future grant under the scheme mandate limit as at June 30, 2026.

Pursuant to Rule 17.07(3) of the Listing Rules, the number of Shares that may be issued in respect of RSUs granted under all schemes of the Company during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period is approximately 0.19%.

3. Movements during the Reporting Period under the 2025 Share Incentive Scheme

On May 25, 2026, the Company granted a total of 435,064 RSUs, representing 435,064 Shares and approximately 12.43% of the total H Shares available under the 2025 Share Incentive Scheme, to 366 Grantees in accordance with the terms of the 2025 Share Incentive Scheme, subject to acceptance of the Grantees. The closing price of the Shares on the grant date was HK\$474.20 per Share. The grant of RSUs will be satisfied by issuance of new H Shares.

There are no arrangements for the Company or any of its subsidiaries to provide financial assistance to any Grantees to facilitate the purchase of RSUs under the 2025 Share Incentive Scheme. Save as disclosed below, no awards have been granted to other connected persons of our Group.

Details of the incentive Shares granted to the Directors and other Grantees under the 2025 Share Incentive Scheme are set out below:

Name or category of participants	Number of RSUs Unvested as at January 1, 2026	Granted during the Reporting Period	Vested during the Reporting Period	Lapsed/ forfeited during the Reporting Period	Cancelled during the Reporting Period	As at June 30, 2026	Date of grant of RSUs ⁽¹⁾	Vesting period	Purchase price	Closing price immediately before the date of grant	Fair value at the date of grant ⁽²⁾	Weighted average closing price of the Shares before the vesting date ⁽³⁾
	January 1, 2026	Reporting Period	Reporting Period	Reporting Period	Reporting Period	June 30, 2026	RSUs ⁽¹⁾					
Executive Director												
Dr. GE Junyou	-	19,466	-	-	-	19,466	25.5.2026	25.5.2026-25.5.2030 ⁽¹⁾	RMB1.00 per Share	HK\$474.20 per Share	RMB8,050,164.30	-
Other												
Employees of the Group	-	415,598	-	-	-	415,598	25.5.2026	25.5.2026-25.5.2030 ⁽¹⁾	RMB1.00 per Share	HK\$474.20 per Share	RMB171,870,552.90	-
Total	-	435,064	-	-	-	435,064						

Notes:

- (1) The granted shares would be vested in four years, subject to the satisfaction of the vesting schedule, 1/4 of which shall be vested on each anniversary of the date of grant, being May 25, 2026, or shall be vested in other vesting schedule. The outstanding RSUs have no exercise period.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (2) The RSUs granted are subject to certain performance targets as set out in the grant entered into between the Grantees and the Company. The Board or its Delegate(s) will evaluate the Grantees' performance and their contribution to the Group. The vesting of the RSUs to the Grantees shall be determined based on the performance of the Grantees in the relevant period as assessed by the Group.
- (3) The fair value of the RSUs are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The fair value is determined by reference to the closing prices of the Company's Shares at the respective date(s) of grant.
- (4) These refer to the weighted average closing price of the Shares of the Company immediately before the dates on which the relevant share awards were vested. No RSUs were vested during the Reporting Period.
- (5) Save as disclosed above, no other Director, chief executive or substantial shareholder or their respective associates (i) have any unvested awards at the beginning and at the end of the six months ended June 30, 2026, or (ii) have any share awards granted, vested, cancelled or lapsed during the six months ended June 30, 2026. There are no participants with share awards granted and to be granted in excess of the 1% Individual Limit, nor any related entity participant or service provider with share awards granted.

USE OF NET PROCEEDS FROM THE MAY 2024 PLACING

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Intended use of net proceeds	Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as at December 31, 2025	Net proceeds unutilized as at December 31, 2025	Net proceeds utilized as at the end of the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected time of full utilization
			RMB in million	RMB in million	RMB in million	RMB in million	
(1) Research and development, clinical trials, registration filings, manufacturing and commercialization of:							
(a) our Core Products	172.1	35%	172.1	0	172.1	0	–
(b) our other products	172.1	35%	172.1	0	172.1	0	–
(2) Enhance our internal research and development technology capabilities, strengthen external collaboration, and expand our product pipeline portfolio	122.9	25%	122.9	0	122.9	0	–
(3) Working capital and general corporate purposes	24.6	5%	24.3	0.3	24.6	0	–
Total	491.6 ⁽¹⁾	100%	491.3	0.3	491.6	0	

Note:

(1) Based on the RMB equivalent of net proceeds from the May 2024 Placing.

USE OF NET PROCEEDS FROM THE SUBSCRIPTION

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Intended use of net proceeds	Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as at December 31, 2025	Net proceeds unutilized as at December 31, 2025	Net proceeds utilized as at the end of the Reporting Period	Net proceeds unutilized as at the end of the Reporting Period	Expected time of full utilization
			as at December 31, 2025	as at December 31, 2025	as at the end of the Reporting Period	as at the end of the Reporting Period	
			RMB	RMB	RMB	RMB	
			in million	in million	in million	in million	
(1) Research and development, clinical trials, registration filings, manufacturing and commercialization of:							
(a) our Core Products	210.5	35%	209.2	1.3	210.4	0.1	Year 2026
(b) our other products	210.5	35%	148.5	62.0	210.5	0	–
(2) Enhance our internal research and development technology capabilities, strengthen external collaboration, and expand our product pipeline portfolio	150.3	25%	76.9	73.4	89.2	61.1	Year 2026
(3) Working capital and general corporate purposes	30.1	5%	30.1	0	30.1	0	–
Total	601.4	100%	464.7	136.7	540.2	61.2	

USE OF NET PROCEEDS FROM THE JUNE 2025 PLACING

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Intended use of net proceeds	Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as	Net proceeds unutilized as	Expected time of full utilization
			at the end of the Reporting Period RMB in million	at the end of the Reporting Period RMB in million	
(1) Research and development, clinical trials, registration filings, manufacturing and commercialization of our products	1,421.9	80%	319.8	1,102.1	Year 2027
(2) Enhance our internal research and development technology capabilities, strengthen external collaboration, and expand our product pipeline portfolio	266.6	15%	140.7	125.9	Year 2026
(3) Working capital and general corporate purposes	88.9	5%	76.5	12.4	Year 2026
Total	1,777.4 ⁽¹⁾	100%	537.0	1,240.4	

Note:

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

USE OF NET PROCEEDS FROM THE JULY 2026 PLACING

On July 10, 2026, the placing of 5,838,000 H Shares (with an aggregate nominal value of RMB5,838,000) to not less than six placees at the placing price of HK\$470.20 per Share was completed. The placing price represents a discount of approximately 8.52% to the closing price of HK\$514.00 per H Share as quoted on the Stock Exchange on July 7, 2026, being the last trading day prior to the signing of the placing agreement. The placees were individual, professional, institutional and/or other investors. The net proceeds from the July 2026 Placing amounted to approximately HK\$2,723.4 million with the net price of approximately HK\$466.50 per H Share. The placing was undertaken to further enlarge the Shareholders' equity base of the Company, advance the research and development capabilities of the Company and support the healthy and sustainable development of the Company.

The Company has utilized, and expects to utilize, the net proceeds from the July 2026 Placing in accordance with the intended uses previously disclosed in the announcements of the Company dated July 8, 2026 and July 10, 2026 (the "**July 2026 Placing Announcements**"). For further details, please refer to the July 2026 Placing Announcements.

CORPORATE GOVERNANCE AND OTHER INFORMATION

As at the end of the Latest Practicable Date, the Group has used the net proceeds from the July 2026 Placing as follows:

Intended use of net proceeds	Allocation of net proceeds RMB in million	Percentage of total net proceeds	Net proceeds utilized as	Net proceeds unutilized as	Expected time of full utilization
			at the Latest Practicable Date RMB in million	at the Latest Practicable Date RMB in million	
(1) Research and development, clinical trials, registration filings, manufacturing and commercialization of our products	1,890.2	80%	0	1,890.2	Year 2028
(2) Enhance our internal research and development technology capabilities, strengthen external collaboration, and expand our product pipeline portfolio	354.4	15%	0	354.4	Year 2028
(3) Working capital and general corporate purposes	118.2	5%	0	118.2	Year 2028
Total	2,362.8 ⁽¹⁾	100%	0	2,362.8	

Note:

(1) Based on the RMB equivalent of net proceeds from the July 2026 Placing.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



Review report to the board of directors of Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 82 to 102 which comprises the consolidated statement of financial position of 四川科倫博泰生物醫藥股份有限公司 (Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd., the "Company") and its subsidiaries (together, the "Group") as of June 30, 2026 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion 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.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at June 30, 2026 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

August 17, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended June 30, 2026 – unaudited
(Expressed in Renminbi (“RMB”))

		Six months ended June 30,	
	Note	2026	2025
		RMB'000	RMB'000
Revenue	3	978,340	950,445
Cost of sales		(241,437)	(290,457)
Gross profit		736,903	659,988
Other net income	4	752,059	31,787
Administrative expenses		(79,898)	(73,844)
Selling and distribution expenses		(390,598)	(178,925)
Research and development expenses		(768,434)	(611,539)
Profit/(loss) from operations		250,032	(172,533)
Finance costs	5(a)	(2,077)	(3,022)
Profit/(loss) before taxation	5	247,955	(175,555)
Income tax	6	140,052	30,380
Profit/(loss) for the period attributable to equity shareholders of the Company		388,007	(145,175)
Earnings/(loss) per share	7		
Basic (RMB Yuan per share)		1.6639	(0.6371)
Diluted (RMB Yuan per share)		1.6633	(0.6371)

The notes on pages 89 to 102 form part of the interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended June 30, 2026 – unaudited
(Expressed in RMB)

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Profit/(loss) for the period	388,007	(145,175)
Other comprehensive income for the period (after tax)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
<i>Exchange differences on translation of financial statements of overseas subsidiaries</i>	(9,590)	(2,407)
Other comprehensive income for the period	(9,590)	(2,407)
Total comprehensive income for the period attributable to equity shareholders of the Company	378,417	(147,582)

The notes on pages 89 to 102 form part of the interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2026 – unaudited
(Expressed in RMB)

	Note	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Non-current assets			
Property, plant and equipment	8	633,137	635,905
Right-of-use assets	9	104,408	122,591
Intangible assets		159	1,100
Financial assets measured at fair value through other comprehensive income ("FVOCI")	14(a)	68,120	70,080
Other non-current assets		3,814	10,234
		809,638	839,910
Current assets			
Inventories		272,311	240,944
Trade and other receivables	10	452,179	345,538
Amounts due from related parties	16(c)	4,494	2,795
Financial assets measured at fair value through profit or loss ("FVPL")	14(a)	1,879,044	935,310
Financial assets measured at FVOCI	14(a)	122,877	–
Financial assets measured at amortized cost		–	292,574
Restricted deposits	11	5,508	87,677
Cash and cash equivalents	11	2,775,673	3,243,797
		5,512,086	5,148,635
Current liabilities			
Trade and other payables	12	594,670	684,518
Amounts due to related parties	16(c)	72,008	17,542
Contract liabilities		168,789	258,033
Lease liabilities		34,053	44,401
		869,520	1,004,494
Net current assets		4,642,566	4,144,141
Total assets less current liabilities		5,452,204	4,984,051

The notes on pages 89 to 102 form part of the interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at June 30, 2026 – unaudited
(Expressed in RMB)

	Note	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Non-current liabilities			
Lease liabilities		47,301	44,043
Deferred income		68,052	72,938
		115,353	116,981
NET ASSETS		5,336,851	4,867,070
CAPITAL AND RESERVES			
Share capital		233,186	233,186
Reserves		5,103,665	4,633,884
TOTAL EQUITY		5,336,851	4,867,070

Approved and authorised for issue by the board of directors on August 17, 2026.

Ge Junyou
Executive Director

Zhou Zejian
Chief Financial Officer

The notes on pages 89 to 102 form part of the interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

	Share capital RMB'000	Capital reserves RMB'000	Exchange reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2025	227,268	7,395,396	9,079	(4,323,082)	3,308,661
Changes in equity for the six months ended June 30, 2025					
Loss for the period	–	–	–	(145,175)	(145,175)
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	(2,407)	–	(2,407)
Total comprehensive income	–	–	(2,407)	(145,175)	(147,582)
Issuance of new shares	5,918	1,771,516	–	–	1,777,434
Equity-settled share-based payment	–	75,777	–	–	75,777
Balance at June 30, 2025 and July 1, 2025	233,186	9,242,689	6,672	(4,468,257)	5,014,290
Changes in equity for the six months ended December 31, 2025					
Loss for the period	–	–	–	(236,796)	(236,796)
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	(5,342)	–	(5,342)
Total comprehensive income	–	–	(5,342)	(236,796)	(242,138)
Equity-settled share-based payment	–	94,918	–	–	94,918
Balance at December 31, 2025	233,186	9,337,607	1,330	(4,705,053)	4,867,070

The notes on pages 89 to 102 form part of the interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

Note	Share capital RMB'000	Capital reserves RMB'000	Exchange reserves RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at January 1, 2026	233,186	9,337,607	1,330	(4,705,053)	4,867,070
Changes in equity for the six months ended June 30, 2026					
Profit for the period	–	–	–	388,007	388,007
Exchange differences on translation of financial statements of overseas subsidiaries	–	–	(9,590)	–	(9,590)
Total comprehensive income	–	–	(9,590)	388,007	378,417
Equity-settled share-based payment	–	91,364	–	–	91,364
Balance at June 30, 2026	233,186	9,428,971	(8,260)	(4,317,046)	5,336,851

The notes on pages 89 to 102 form part of the interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended June 30, 2026 – unaudited

(Expressed in RMB)

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Operating activities		
Net cash generated from/(used in) operating activities	338,797	(373,194)
Investing activities		
Payment for the purchase of property, plant and equipment	(26,511)	(41,302)
Payment for intangible assets	(109)	(54)
Payment for investment in financial assets measured at FVPL	(2,730,000)	(2,240,000)
Proceeds from redemption of financial assets measured at FVPL	1,801,583	2,849,010
Payment for investment in financial assets measured at FVOCI	(122,835)	–
Payment for investment in financial assets measured at amortized cost	–	(1,873,856)
Proceeds from maturity of financial assets measured at amortized cost	295,790	1,674,005
Net cash (used in)/generated from investing activities	(782,082)	367,803
Financing activities		
Net proceeds from issuance of new shares	–	1,777,434
Capital element of lease rentals paid	(11,736)	(2,811)
Interest element of lease rentals paid	(2,077)	(243)
Net cash (used in)/generated from financing activities	(13,813)	1,774,380
Net (decrease)/increase in cash and cash equivalents	(457,098)	1,768,989
Cash and cash equivalents at January 1	3,243,797	1,336,503
Effect of foreign exchange rate changes	(11,026)	(2,700)
Cash and cash equivalents at June 30	2,775,673	3,102,792

The notes on pages 89 to 102 form part of the interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on August 17, 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2025 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA.

KPMG’s independent review report to the Board of Directors is included on page 81.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued a number of amendments to IFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments, are relevant to the Group’s financial statements. The impacts of adopting these amendments are discussed below.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

2 CHANGES IN ACCOUNTING POLICIES (continued)

Amendments to IFRS 9, *Financial instruments* and IFRS 7, *Financial instruments: Disclosures* – Amendments to the classification and measurement of financial instruments

The amendments cover three main aspects:

- The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.
- For the assessment of whether a financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, the amendments clarify the assessment of interest and introduce an additional test for the financial assets with contingent features, for example environmental, social or governance (“ESG”)-linked features. The amendments also clarify the difference between financial assets with non-recourse features and contractually linked instruments which may then change the applicable assessments.
- The amendments introduce new disclosures for disposals of investments in equity instruments designated at FVOCI, and for financial instruments not measured at FVPL which contain contractual terms that could change the amount of contractual cash flows based on the occurrence or non-occurrence of a contingent event that does not relate directly to changes in basic lending risks and costs.

Upon adoption of the amendments, the Group has elected to apply the exception for the derecognition of certain trade payables settled in cash using qualifying electronic payment systems. Under the exception, these trade payables are derecognised when the Group initiates a payment instruction through a qualifying electronic payment system and, as a result, no longer has the practical ability to withdraw, stop, or cancel the payment instruction and to access the cash to be used for settlement, and the settlement risk associated with the payment system is insignificant. The Group has applied this election consistently to all settlements made through the same qualifying electronic payment system.

The Group has applied the amendments retrospectively. As permitted by the transition requirements, the Group has not restated prior periods. The application of the exception does not have a material impact on the Group’s consolidated financial statements for the periods presented.

The amendments would also affect the disclosures to be included in the Group’s annual financial statements for the year ending December 31, 2026 in respect of investments in equity instruments designated at FVOCI and financial instruments not measured at FVPL with specified contingent features. No additional disclosure has been included in this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the research and development, manufacturing and commercialization of novel drugs in oncology, immunology and other therapeutic areas.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major service lines is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
Revenue from license and collaboration agreements	314,518	628,015
Revenue from provision of research and development service	6,781	12,674
Revenue from sales of pharmaceutical products	657,041	309,756
	978,340	950,445

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Disaggregated by timing of revenue recognition		
Point in time	688,164	603,791
Over time	290,176	346,654
	978,340	950,445

(b) Segment reporting

(i) Segment information

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations in assessing performance of and making decisions about allocations to this segment.

Accordingly, no reportable segment information is presented.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

3 REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the customers are registered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment, right-of-use assets and the location of the operation to which they are allocated, in the case of intangible assets and other non-current assets.

Revenue from external customers

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
The PRC (place of domicile)	663,822	322,430
The USA	283,395	477,604
Switzerland	30,480	150,411
Others	643	–
	978,340	950,445

Non-current assets

	As at June 30, 2026	As at December 31, 2025
	RMB'000	RMB'000
The PRC	741,116	769,319
The USA	402	511
	741,518	769,830

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

4 OTHER NET INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Settlement income (note (i))	702,721	–
Interest income from bank deposits	16,378	8,238
Government grants (note (ii))	16,037	12,555
Net realized and unrealized gain on financial assets measured at FVPL (note 14)	15,317	13,028
Interest income from financial assets measured at amortized cost	3,216	4,464
Net losses on disposal of property, plant and equipment	(233)	(33)
Net foreign exchange losses	(3,472)	(1,636)
Others	2,095	(4,829)
	752,059	31,787

Note:

- (i) Settlement income represents amounts received from an independent third party as set out in the announcements of the Company dated December 16, 2025 and June 12, 2026 which is recognized as income for the six months ended June 30, 2026.
- (ii) The government grants mainly represent subsidies received from government authorities for the purpose of compensation for expenditure arising from research activities and clinical trials, awards for new drug development and capital expenditure incurred on certain projects. There are no unfulfilled conditions or contingencies relating to these government grants.

5 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

(a) Finance costs

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Interest expenses on lease liabilities	2,077	3,022

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

5 PROFIT/(LOSS) BEFORE TAXATION (continued)

(b) Other items

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Amortization cost of intangible assets	1,050	930
Depreciation charge		
– property, plant and equipment	33,858	25,448
– right-of-use assets	22,830	22,752
Research and development expenses	768,434	611,539

6 INCOME TAX

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Current tax		
Provision for the period		
– Withholding Tax	–	16,335
– Withholding Tax refunded (note (iii))	(140,052)	(46,715)
	(140,052)	(30,380)

(i) PRC Corporate Income Tax

Effective from January 1, 2008, the PRC statutory income tax rate is 25% under the PRC Corporate Income Tax Law. The Group's subsidiaries in the PRC are subject to PRC income tax at 25% unless otherwise specified.

According to the PRC Corporate Income Tax Law and its relevant regulations, entities that qualified as high-technology enterprise are entitled to a preferential income tax rate of 15%. The Company obtained its certificate of high-technology enterprise on December 3, 2020 and October 16, 2023 respectively and is entitled to preferential income tax rate of 15% from 2020 to 2026.

(ii) Hong Kong Profits Tax

The provision for Hong Kong Profits Tax for the six months ended June 30, 2026 is calculated at 16.5% (six months ended June 30, 2025: 16.5%) of the estimated assessable profits for the period. There were no assessable profits generating from the subsidiary incorporated in Hong Kong of the Group during the six months ended as at June 30, 2026 and 2025.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

6 INCOME TAX (continued)

(iii) United States Withholding Tax

Pursuant to US Income Tax laws and regulations and the agreement between the government of the People's Republic of China and the USA for avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (中華人民共和國政府和美利堅合眾國政府關於對所得避免雙重徵稅和防止偷漏稅的協定), a 10% US federal withholding tax is charged on royalties paid pursuant to license and collaboration agreements entered between the Company and a US company.

The Company applied to the Internal Revenue Service to refund the US federal withholding tax and Internal Revenue Service reviewed this application on a case-by-case basis. For the six months ended June 30, 2026, Internal Revenue Service refunded withholding tax of USD20,500,000 (equivalent to RMB140,052,000) to the Company.

7 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to ordinary equity shareholders of the Company of six months ended June 30, 2026 of RMB388,007,000 (loss attributable to ordinary equity shareholders of the Company of six months ended June 30, 2025 of RMB145,175,000) and the weighted average of 233,185,969 ordinary shares (six months ended June 30, 2025: 227,856,499 shares) in issue during the interim period.

(b) Diluted earnings/(loss) per share

No adjustment has been made to the basic loss per share presented for six months ended June 30, 2025 as the Group had no potentially dilutive ordinary shares in issue during this period.

The calculation of diluted earnings per share for six months ended June 30, 2026 is based on the profit attributable to ordinary equity shareholders of the company of RMB388,007,000 and the weighted average number of ordinary shares of 233,272,501 shares, after adjusting for the potentially dilutive ordinary shares during this period.

8 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals of owned assets

During the six months ended June 30, 2026, the Group acquired items of property, plant and equipment ("PPE") with a cost of RMB31,337,000 (for the six months ended June 30, 2025: RMB27,115,000). Items of PPE with a net book value of RMB247,000 (for the six months ended June 30, 2025: RMB33,000) were disposed of during the six months ended June 30, 2026, resulting in a net loss on disposal of RMB233,000 (net loss of RMB33,000 for six months ended June 30, 2025).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

9 RIGHT-OF-USE ASSETS

For the six months ended June 30, 2026, additions to right-of-use assets were RMB4,661,000 (for the six months ended June 30, 2025: RMB4,368,000).

10 TRADE AND OTHER RECEIVABLES

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Trade receivables	272,196	94,475
Other receivables	3,951	4,357
Value Added Tax ("VAT") recoverable	139,756	189,060
Prepayments	36,276	57,646
	452,179	345,538

(a) Ageing analysis

As at the end of each reporting period, the ageing analysis of trade receivables (which are included in trade and other receivables), based on the invoice date, is as follows:

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Within 3 months (inclusive)	272,196	94,475

Trade debtors are due within 60 days from the date of billing.

11 CASH AND CASH EQUIVALENTS

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Cash at bank	2,781,181	3,331,474
Less: restricted bank deposits (i)	(5,508)	(87,677)
Cash and cash equivalents in the consolidated statements of financial position	2,775,673	3,243,797

- (i) As at June 30, 2026, restricted bank deposits are pledged deposits for issuance of bills payable with the maturity date within six months. The pledged deposits will be released upon the settlement of relevant bills payable.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

12 TRADE AND OTHER PAYABLES

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Trade payables	426,988	355,458
Bills payable	16,198	53,452
Accrued payroll and benefits	141,485	184,530
Other payables	4,447	7,667
Other taxes payable	5,552	10,002
Settlement received in advance	–	73,409
	594,670	684,518

As at the end of each reporting period, the ageing analysis of trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Within 1 year	436,941	388,301
1 to 2 years	5,362	19,694
2 to 3 years	192	487
More than 3 years	691	428
	443,186	408,910

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The directors of the Company did not propose the distribution of any interim dividend during the Reporting Period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

The following table presents the Group's financial assets that are measured at fair value at the end of each reporting period:

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Level 3		
Financial assets measured at FVPL		
Wealth management products issued by banks	1,879,044	935,310
Financial assets measured at FVOCI		
Certificates of deposit	122,877	–
Unlisted investment	68,120	70,080
	190,997	70,080

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Investment in wealth management products	Discount cash flow method	Interest return rate
Certificates of deposit	Discount cash flow method	Expected rate of return of the product
Unlisted investment	Recent transaction price	Discount for lack of marketability

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets measured at fair value (continued)

Information about Level 3 fair value measurements (continued)

During the six months ended June 30, 2025 and 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The movements during the reporting periods in the balance of these Level 3 financial assets of the Group at fair value through profit or loss are as follows:

	2026 RMB'000	2025 RMB'000
Financial assets measured at FVPL		
At January 1	935,310	1,448,319
Payment for purchases	2,730,000	2,240,000
Changes in fair value recognized in profit or loss during the period	15,317	13,028
Redemption	(1,801,583)	(2,849,010)
At June 30	1,879,044	852,337
Financial assets measured at FVOCI		
At January 1	70,080	–
Payment for purchases	122,835	70,757
Interest income from financial assets measured at FVOCI	42	–
Exchange adjustments	(1,960)	–
At June 30	190,997	70,757

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortized cost were not materially different from their fair values as at December 31, 2025 and June 30, 2026.

15 COMMITMENTS

Capital commitments outstanding at June 30, 2026 not provided for in the interim financial report were as follows:

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Contracted for construction in progress	14,494	5,398

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

16 MATERIAL RELATED PARTY TRANSACTIONS

(a) Identity of related parties

Name of party	Relationship with the Group
Mr. LIU Gexin (劉革新)	Ultimate controlling shareholder
Sichuan Kelun Pharmaceutical Co., Ltd. ("Kelun Pharmaceutical") (四川科倫藥業股份有限公司) together with its subsidiaries ("Kelun Group")	Immediate holding company
China Resources Kelun (Sichuan) Medicine Limited (華潤科倫醫藥(四川)有限公司) together with its subsidiaries ("China Resources Kelun Group")	An associate of Mr. Liu Sichuan, a Director of the Company
Sichuan Kelun Doosan Biotechnology Co., Ltd. ("Kelun Doosan") (四川科倫鬥山生物技術有限公司)	A joint venture of Kelun Pharmaceutical
Beijing Yaoshi Technology Co., Ltd. ("Beijing Yaoshi") (北京藥識科技有限公司)	A company controlled by a Director of the Company
Beijing Kuanjian Technology Co., Ltd. ("Beijing Kuanjian") (北京寬見科技有限公司)	A company controlled by the immediate family member of a Director of the Company

(b) Significant related party transactions

	Six months ended June 30,	
	2026	2025
	RMB'000	RMB'000
Trade related:		
Provision of R&D services, related equipment and goods to:		
Kelun Group	2,928	4,069
Procurement of R&D services from:		
Kelun Group	6,928	4,847
Sale of goods to:		
China Resources Kelun Group	6,249	2,060
Procurement of goods from:		
Kelun Group	12	4,182
China Resources Kelun Group	591	204
	603	4,386
Procurement of PPE from:		
Kelun Group	475	128
Procurement of promotional services from:		
Kelun Group	61,221	–
Receiving other miscellaneous services from:		
Kelun Group	11,275	10,354
Beijing Yaoshi	–	340
Beijing Kuanjian	–	11
	11,275	10,705
Interest expense on lease liabilities to Kelun Group	1,895	2,779

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

16 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Balance with related parties

	As at June 30, 2026 RMB'000	As at December 31, 2025 RMB'000
Amounts due from:		
– Trade Related:		
Kelun Group	2,427	1,160
Kelun Doosan	157	104
China Resources Kelun Group	1,910	1,531
	4,494	2,795
Amounts due to:		
– Trade Related:		
Kelun Group	71,882	17,467
Kelun Doosan	63	57
China Resources Kelun Group	63	18
	72,008	17,542
Lease liabilities due to:		
Kelun Group	71,855	80,729

17 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2026

A number of amendments and new standards are not yet mandatory for annual periods beginning January 1, 2026. Earlier application is permitted; however, the Group has not early adopted any new or amended standards in preparing this interim financial report.

The following updates the information provided in the last annual financial statements about the possible impacts of IFRS 18 which may have a significant impact on the Group's consolidated financial statements when adopted.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in thousands of RMB, unless otherwise indicated)

17 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS, AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE SIX MONTHS ENDED JUNE 30, 2026 (continued)

IFRS 18, *Presentation and disclosure in financial statements*

IFRS 18 will replace IAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and position of the Group.

DEFINITIONS

“2025 Share Incentive Scheme”	the share incentive scheme approved by the Shareholders at the extraordinary general meeting held on December 31, 2025
“ADC(s)”	antibody drug conjugate(s)
“ADCC”	antibody-dependent cell-mediated cytotoxicity
“ADMET”	absorption, distribution, metabolism, elimination and toxicity
“AIDD”	AI-driven drug design
“ALK”	anaplastic lymphoma kinase
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“ASCO”	American Society of Clinical Oncology
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“BC”	breast cancer
“BICR”	blinded independent central review
“Board of Directors” or “Board”	the board of Directors
“Board or its Delegate(s)”	means the Board or an administration committee set up to administer the 2025 Share Incentive Scheme
“bsAb(s)”	bispecific antibodies
“bsADC”	bispecific antibody-drug conjugate(s)
“CADD”	computer-aided drug design
“CBCS”	China Anti-Cancer Association Committee of Breast Cancer Society
“CC”	cervical cancer
“CDE”	Center for Drug Evaluation

DEFINITIONS

“CG Code”	the “Corporate Governance Code” as contained in Appendix C1 to the Listing Rules
“cGMP”	current good manufacturing practice
“China”, “Chinese mainland” or “PRC”	the People’s Republic of China, which for the purpose of this report and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“CI”	confidence interval
“CLDN18.2”	claudin 18.2, a member of the Claudin protein family
“CMC”	chemistry, manufacturing and controls, also commonly referred to as process development, which covers the various procedures used to assess the physical and chemical characteristics of drug products, and to ensure their quality and consistency during manufacturing
“CMO”	contract manufacturing organization, a company that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of manufacturing services outsourced on a contract basis
“Company”, “our Company”, “the Company”, “we” or “us”	Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (四川科倫博泰生物醫藥股份有限公司), a joint stock company established in the PRC with limited liability on November 22, 2016 and the H Shares of which are listed on the Stock Exchange (stock code: 6990) and which includes its subsidiaries (from time to time) where the context so requires
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Kelun Pharmaceutical, Kelun International, the Employee Incentive Platforms and Mr. LIU Gexin
“COPD”	chronic obstructive pulmonary disease
“Core Products”	has the meaning ascribed thereto in Chapter 18A of the Listing Rules; for the purpose of this report, our Core Products refer to sac-TMT and trastuzumab botidotin
“CPS”	combined positive score
“CRC”	colorectal cancer
“Crescent Biopharma”	Crescent Biopharma, Inc.
“CRO”	contract research organization

“CRPC”	castration-resistant prostate cancer
“CSCO”	Chinese Society of Clinical Oncology
“CSOBO”	Chinese Medical Association Chinese Society of Oncology – Breast Oncology
“DAC(s)”	degrader-antibody conjugate(s)
“DAR”	drug-to-antibody ratio, the average number of drugs conjugated to the antibodies
“Date of Grant”	The date on which the Board or its Delegate(s) resolves to make a grant of a share award to the participant
“DC(s)”	drug conjugate(s)
“DCR”	disease control rate, the total proportion of patients who demonstrate a response to treatment, equal to the sum of complete responses (CR), partial responses (PR) and stable disease (SD)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB
“DoR”	duration of response
“EC”	endometrial carcinoma
“EGFR”	epidermal growth factor receptor
“ELCC”	European Lung Cancer Congress
“Ellipses Pharma”	Ellipses Pharma Limited
“Employee Incentive Platforms”	Kelun Huicai, Kelun Huide, Kelun Huineng and Kelun Huizhi
“ESCC”	esophageal squamous cell carcinoma
“ESMO”	European Society for Medical Oncology
“ET”	endocrine therapy
“FDA”	the United States Food and Drug Administration

DEFINITIONS

“FEP”	free energy perturbation
“FIC”	first-in-class
“first/second/third-line” or “1/2/3L”	the first/second/third line treatment
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market, research and consulting company
“GC”	gastric cancer
“GEA”	gastroesophageal adenocarcinoma
“GEJC”	gastroesophageal junction cancer
“GI”	gastrointestinal
“Global Offering”	the Hong Kong Public Offering and the International Offering (each as defined in the Prospectus)
“GR”	glucocorticoid receptor
“Grantee(s)”	any participants who accept an offer of the grant of a share award in accordance with the terms of the 2025 Share Incentive Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such share award in consequence of the death of the original Grantee, or the legal personal representative of such person
“Greater China”	the PRC, Hong Kong, Macau and Taiwan
“Group”, “our Group” or “the Group”	the Company and its subsidiaries
“GU”	genitourinary
“H Share(s)”	overseas listed foreign share(s) in the ordinary share capital of the Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange
“H Share Registrar”	Computershare Hong Kong Investor Services Limited
“Harbour BioMed”	Harbour BioMed Therapeutics Limited, an indirect wholly owned subsidiary of HBM Holdings Limited (和铂醫藥控股有限公司), a company listed on the Stock Exchange (stock code: 02142)
“HER2”	human epidermal growth factor receptor 2

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HNSCC”	head and neck squamous cell carcinoma
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HR”	hazard ratio
“HR+”	hormone receptor-positive
“HRD”	homologous recombination deficiency
“iADC(s)”	immunostimulatory ADC(s)
“ICC”	investigator’s choice of chemotherapy
“IFRS”	International Financial Reporting Standards
“IND”	investigational new drug or investigational new drug application, also known as clinical trial application in China or the U.S.
“IO”	immune-oncology
“IRC”	Independent Review Committee
“Interim Results Announcement”	the interim results announcement for the six months ended June 30, 2026 of the Company dated August 17, 2026
“July 2026 Placing”	the placing of 5,838,000 new H Shares by the Placing Agents on the terms and subject to the conditions of the placing agreement entered into between the Company and the Placing Agents on July 8, 2026
“July 2026 Placing Agents”	Goldman Sachs (Asia) L.L.C., Citigroup Global Markets Limited and J.P. Morgan Securities (Asia Pacific) Limited
“June 2025 Placing”	the placing of 5,918,000 new H Shares by the June 2025 Placing Agents on the terms and subject to the conditions of the placing agreement entered into between the Company and the June 2025 Placing Agents on June 5, 2025
“June 2025 Placing Agents”	Goldman Sachs (Asia) L.L.C. and Citigroup Global Markets Limited

DEFINITIONS

“Kelun Group”	Kelun Pharmaceutical and all of its subsidiaries
“Kelun Huicai”	Chengdu Kelun Huicai Enterprise Management Center Limited Partnership (成都科倫匯才企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
“Kelun Huide”	Chengdu Kelun Huide Enterprise Management Center Limited Partnership (成都科倫匯德企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
“Kelun Huineng”	Chengdu Kelun Huineng Enterprise Management Center Limited Partnership (成都科倫匯能企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
“Kelun Huizhi”	Chengdu Kelun Huizhi Enterprise Management Center Limited Partnership (成都科倫匯智企業管理中心(有限合夥)), a limited partnership established in the PRC on August 26, 2016, of which Kelun Jingchuan is the sole general partner, one of our Employee Incentive Platforms
“Kelun International”	Kelun International Development Co., Limited (科倫國際發展有限公司), a wholly-owned subsidiary of Kelun Pharmaceutical incorporated in Hong Kong, one of our Controlling Shareholders upon Listing
“Kelun Jingchuan”	Chengdu Kelun Jingchuan Technology Co., Ltd. (成都科倫晶川科技有限公司), a limited liability company established under the laws of PRC on August 17, 2016 and is a wholly-owned subsidiary of Kelun Pharmaceutical
“Kelun Pharmaceutical”	Sichuan Kelun Pharmaceutical Co., Ltd. (四川科倫藥業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002422), one of our Controlling Shareholders
“KLUS PHARMA”	KLUS PHARMA INC., a corporation with limited liability incorporated in the State of New Jersey, the United States on October 31, 2014 and a wholly-owned subsidiary of our Company
“Latest Practicable Date”	September 10, 2026, being the latest practicable date prior to the publication of this report for the purpose of ascertaining certain information contained herein
“LBA”	late-breaking abstract
“LC”	lung cancer

“Listing”	the listing of our H Shares on the Stock Exchange on July 11, 2023
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“mAb(s)”	monoclonal antibody(ies)
“Macau”	the Macau Special Administrative Region of the PRC
“May 2024 Placing”	the placing of 3,648,600 new H Shares by the May 2024 Placing Agents on the terms and subject to the conditions of the placing agreement entered into between the Company and the May 2024 Placing Agents on May 8, 2024
“May 2024 Placing Agents”	Goldman Sachs (Asia) L.L.C., Citigroup Global Markets Limited and J.P. Morgan Securities (Asia Pacific) Limited
“mCRC”	metastatic colorectal cancer
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuers” set out in Appendix C3 to the Listing Rules
“MSD”	Merck Sharp & Dohme LLC, a wholly-owned subsidiary of Merck & Co., Inc., a company listed on the New York Stock Exchange (stock code: MRK)
“MTC”	medullary thyroid cancer
“NDA”	new drug application
“NMPA”	the National Medical Products Administration (國家藥品監督管理局) and its predecessor, the China Food and Drug Administration (國家食品藥品監督管理總局)
“NPC”	nasopharyngeal cancer
“NR”	not reached
“NRDL”	National Reimbursement Drug List (國家醫保藥品目錄)
“NSCLC”	non-small cell lung cancer
“OC”	ovarian cancer
“ORR”	objective response rate, the proportion of patients with a complete response or partial response to treatment

DEFINITIONS

“OS”	overall survival, the length of time from either the date of diagnosis or the start of treatment for a disease that patients diagnosed with the disease are still alive, used in clinical trials as a measurement of a drug’s effectiveness
“pCR”	pathological complete response
“PD-1”	programmed cell death protein 1
“PD-L1”	programmed cell death ligand 1
“PD-(L)1”	PD-1 or PD-L1
“PDAC”	pancreatic ductal adenocarcinoma
“PFS”	progression-free survival, the length of time during and after the treatment that a patient lives without the disease getting worse
“Pre-IPO Employee Incentive Scheme”	the pre-IPO employee incentive scheme of the Company approved and adopted by the Board in 2016, as amended from time to time
“Prospectus”	the prospectus issued by the Company dated June 29, 2023
“PROTAC”	proteolysis targeting chimera, a heterobifunctional small molecule composed of two active domains and a linker, capable of removing specific unwanted proteins
“RAS”	rat sarcoma virus
“RDC(s)”	radionuclide drug conjugate(s)
“Reporting Period”	the six months ended June 30, 2026
“RET”	rearranged during transfection, a proto-oncogene, i.e., a gene that promotes cancer formation when altered by mutations or rearrangements. RET alterations have been reported to be a major oncogenic driver in about 2% of all cancers, most notably in NSCLC and MTC
“RMB”	Renminbi, the lawful currency of the PRC
“RPSFT”	rank-preserving structural failure time
“RSU(s)”	restricted share unit(s) conferring the Grantee a conditional right upon vesting of the RSU(s) to obtain, as determined by the Board or its Delegate(s) in its absolute discretion, a H Share with reference to the market value of a Share on or around the vesting period of such RSU as determined by the Board or its Delegate(s) in its absolute discretion

“SCLC”	small cell lung cancer
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as amended from time to time)
“SGO”	Society of Gynecologic Oncology
“Share(s)”	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of the Shares
“Sichuan Konas”	Sichuan Konas Pharmaceutical Co., Ltd. (四川科納斯製藥有限公司), a limited liability company established in the PRC on September 30, 2016 and a wholly-owned subsidiary of our Company
“SOC”	standard of care
“State Council”	The State Council of the People's Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 4,423,870 new Domestic Shares by Kelun Pharmaceutical (as subscriber) pursuant to the terms and conditions of the subscription agreement entered into between the Company and Kelun Pharmaceutical on May 8, 2024
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“TAA”	tumor-associated antigen, an antigen with elevated level on tumor cells and lower levels on normal cells
“TAA-IO bsAbs”	tumor-associated-immuno-oncology bispecific antibodies, a type of bispecific antibodies with dual targeting ability against a certain tumor-associated antigen on tumor cells and a certain immune-oncology antigen involved in antitumor immune response, such as an immune checkpoint protein
“TC”	thymic Carcinoma
“TKI”	tyrosine kinase inhibitor
“TNBC”	triple-negative breast cancer
“TPC”	treatment of physician's choice

DEFINITIONS

“TPS”	tumor proportion score
“TROP2”	human trophoblast cell-surface antigen 2, which is a transmembrane protein frequently over-expressed in many types of solid tumors
“Trust Deed”	a trust deed entered or to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the 2025 Share Incentive Scheme
“Trustee”	the trustee (which is/are independent of and not connected with the Company) appointed or to be appointed by the Company for the administration of the 2025 Share Incentive Scheme or any additional or replacement trustee
“TSLP”	thymic stromal lymphopoietin
“UC”	urothelial cancer, or urothelial carcinoma
“UK”	the United Kingdom, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Foreign Share(s)”	Unlisted shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which may be issued by the Company and, if issued, will be subscribed for and paid up in a currency other than RMB
“Unlisted Share(s)”	Domestic Share(s) and/or Unlisted Foreign Share(s)
“US” or “U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD”	United States dollars, the lawful currency of the United States
“VEGF”	vascular endothelial growth factor
“WCLC”	World Conference on Lung Cancer
“Windward Bio”	Windward Bio AG
“%”	per cent



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