CHINA MEDICAL SYSTEM HOLDINGS LIMITED
康哲藥業控股有限公司*

(Incorporated in the Cayman Islands with Limited Liability)

(Hong Kong Stock Code: 867)

(Singapore Stock Code: 8A8)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025 AND CHANGE OF MEMBER OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The board of Directors (the "Board") of China Medical System Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group" or "CMS") for the year ended 31 December 2025 (the "Reporting Period").

Financial Highlights

- Turnover up 9.9% to RMB8,212.1 million (2024: RMB7,469.0 million); in the case that all medicines were directly sold by the Group, turnover up 8.9% to RMB9,385.6 million (2024: RMB8,621.6 million)
- Gross profit up 8.3% to RMB5,871.5 million (2024: RMB5,422.2 million); in the case that all medicines were directly sold by the Group, gross profit up 8.3% to RMB5,852.0 million (2024: RMB5,405.4 million)
- Profit for the year down 10.5% to RMB1,443.3 million (2024: RMB1,613.1 million); normalized profit for the year* up 3.6% to RMB1,775.5 million (2024: RMB1,713.7 million)
- Basic earnings per share down 7.8% to RMB0.6154 (2024: RMB0.6673)
- As at 31 December 2025, the Group's bank balances and cash amounted to RMB2,701.4 million
- Proposed final dividend of RMB0.1366 per share, bringing the total dividend for the year ended 31 December 2025 to RMB0.2921 per share, representing an increase of 9.0% over last year (2024: final dividend of RMB0.1174 and total dividend of RMB0.2681 per share)

* Normalized profit for the year of 2025 mainly refers to excluding a one-off payment of RMB278.8 million, consisting of the repayment of the local income tax concession enjoyed for the years from 2022 to 2024 and the related late payment surcharge.

**For Identification Only*

BUSINESS HIGHLIGHTS

2025 marks a pivotal year for CMS's strategic transformation, with growth drivers comprehensively refreshed. It is also the starting point for the Group's return to a long-cycle growth trajectory. Innovative products and exclusive products have become the Group's key growth engines. The impact of the national volume-based procurement programme has largely been digested, and the Group's product portfolio has continued to optimize. Key exclusive/branded products and innovative medicines accounted for 59.8% of total revenue in the case that all medicines were directly sold by the Group in 2025 (2024: 52.8%). Within this, sales of innovative medicines and exclusive products grew 44.1% year-on-year. Since the beginning of 2025, the Group has made key progress in innovative R&D: 2 new drugs were approved for marketing; 6 NDAs are under review; 6 IND applications for in-house R&D products were approved; and the Group added 4 innovative products under collaborative development as well as 2 ophthalmology products already approved for marketing. The Group continued to deepen its specialty-focused strategy, and initial results have emerged from diversified expansion into new retail, digital channels and consumer healthcare. Its subsidiary, Dermavon, has established a leading position in China in the skin health field, and announced in April 2025 a proposed separate listing on the Main Board of The Stock Exchange of Hong Kong Limited by way of distribution in specie and introduction. Meanwhile, the Group continued to advance its industrial internationalization strategy. Following the Group's secondary listing by way of introduction on the SGX-ST in July 2025, the Group's emerging-market international footprint has taken shape at an accelerated pace, with Singapore serving as a hub and an end-to-end ecosystem spanning "R&D - manufacturing - commercialization." This has fostered a new model of high-quality growth driven by cross-regional synergy.

2 New Drugs Approved for Marketing

- Lumirix (ruxolitinib phosphate cream) for vitiligo– the first topical JAK inhibitor approved in China for vitiligo, approved for marketing in China in January 2026
- Desidustat Tablets - a novel oral HIF-PHI for treating anaemia in non-dialysis adult CKD patients, approved for marketing in China in March 2026

6 NDAs under Review

- Loberamisal for Injection (Y-3 for Injection) – the world's first brain cytoprotectant developed based on the important targets of stroke, PSD95-Nnos and MPO, with potential to achieve a technological breakthrough in the simultaneous intervention of "stroke treatment and prevention of post-stroke depression and anxiety"
- Comekibart Injection (MG-K10) for AD – expected to become the first long-acting (one dose every four weeks) anti-IL-4Rα monoclonal antibody approved in China, with BIC potential
- Benzgalantamine Gluconate Enteric-coated Tablets (ZUNVEYL) – the second oral therapy approved by the U.S. FDA for the treatment of Alzheimer's disease in over a decade, demonstrating a potentially better gastrointestinal safety profile
- Vecantoxatug Injection – a recombinant humanized monoclonal antibody against TeNT with an excellent safety profile, which delivers superior protection compared with HTIG
- Silevimig Injection – the world's first recombinant, fully human bispecific antibody against rabies virus targeting epitope I and/or epitope III of the G protein

- Ruxolitinib phosphate cream for AD - The first topical JAK inhibitor approved by the U.S. FDA, China NDA Accepted in February 2026

6 IND Applications for In-house R&D Products Approved

- CMS-D002 Capsules (GnRH Receptor Antagonist) – intended for uterine fibroids
- CMS-D001 Tablets (TYK2 Inhibitor) – intended for AD
- CMS-D003 Capsules (Cardiac Myosin Inhibitor) – intended for the treatment of obstructive hypertrophic cardiomyopathy in adults
- CMS-D017 Capsules (Complement Factor B Inhibitor) – intended for the treatment of paroxysmal nocturnal hemoglobinuria and complement-mediated kidney diseases; the IND applications were approved in China in January and February 2026, respectively
- CMS-D008 Injection (a siRNA therapy targeting and inhibiting INHBE) – intended for the treatment of overweight/obesity; the IND application was approved in China in March 2026

4 New Collaborative Development Innovative Products Added

- In September 2025, the Group entered into two separate exclusive Collaboration Agreement with Chongqing Genrix Biopharmaceutical Co., Ltd.for Class 1 therapeutic biological products, Vecantoxatug Injection indicated for passive immunization against tetanus and Silevimig Injection indicated for passive immunization following suspected rabies virus exposure, respectively, and obtained exclusive commercialization rights for these two products in mainland China and exclusive licensing rights for the rest of the Asia-Pacific region, the Middle East and North Africa.
- In January 2025, the Group entered into a Collaboration Agreement with Hunan Mabgeek Biotech Co., LTD and its subsidiaries. In accordance with the agreement and supplementary agreements, the Group has obtained the co-development rights (excluding AD) and exclusive commercialization rights for MG-K10 in Mainland China, Hong Kong, Macau, Taiwan Region and Singapore. MG-K10 is a long-acting anti-IL-4Rα humanized monoclonal antibody injection, intended for type 2 inflammatory diseases including atopic dermatitis, prurigo nodularis, asthma, allergic rhinitis, etc.
- In January 2025, the Group entered into a collaboration with Alpha Cognition Inc. for the improved new drug ZUNVEYL for the treatment of mild-to-moderate dementia of the Alzheimer's type, and gained an exclusive right to develop, register, manufacture, import, export and commercialize the product in Asia (excluding Japan and the Middle East region) and other designated territories.

2 New Ophthalmic Products Approved for Marketing in China Added

In October 2025, the Group entered into an agreement with Novartis Pharma Services AG to introduce two anti-VEGF ophthalmic drugs already approved for marketing in China:

- Ranibizumab Injection ("Lucentis") – the first anti-VEGF drug approved for ophthalmic use in China. As of the end of the Reporting Period, it is also currently the anti-VEGF drug in China that covers the widest age range and has the most indications.
- Brolucizumab Injection ("Beovu") – as of the end of the Reporting Period, the next-generation anti-VEGF drug with the smallest molecular weight (only 26 kDa), delivering treatment advances versus prior-generation agents, including potent fluid control and the potential to extend dosing intervals.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	3	8,212,058	7,468,990
Cost of goods sold		(2,340,522)	(2,046,796)
Gross profit		5,871,536	5,422,194
Other income	4	145,672	208,387
Other gains and losses	5	156,907	(151,244)
Selling expenses		(2,842,252)	(2,661,648)
Administrative expenses		(865,777)	(780,093)
Finance costs	6	(20,297)	(38,610)
Research and development expenses		(585,023)	(329,982)
Share of results of associates		238,790	338,548
Share of result of a joint venture		3,505	2,755
Profit before tax		2,103,061	2,010,307
Income tax expense	7	(659,784)	(397,227)
Profit for the year	8	1,443,277	1,613,080
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income		227,810	(34,110)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive (expense) income of associates		(6,568)	6,162
Exchange differences arising on translation of foreign operations		(8,284)	3,038
Exchange differences arising on translation of interests in associates		15,664	(9,061)
Other comprehensive income (expense) for the year, net of income tax		228,622	(33,971)
Total comprehensive income for the year		1,671,899	1,579,109
Profit (loss) for the year attributable to:			
Owners of the Company		1,488,892	1,619,788
Non-controlling interests		(45,615)	(6,708)
		1,443,277	1,613,080
Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		1,717,514	1,585,817
Non-controlling interests		(45,615)	(6,708)
		1,671,899	1,579,109
		RMB	RMB
Earnings per share	10		
Basic		0.6154	0.6673

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025

	NOTES	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		366,702	375,893
Right-of-use assets		79,388	72,197
Interests in associates		3,509,594	3,389,827
Interest in a joint venture		172,308	181,804
Intangible assets		2,213,765	2,301,346
Goodwill		1,511,261	1,547,903
Equity instruments at fair value through other comprehensive income		357,593	129,783
Deposits paid for acquisition of intangible assets		1,480,664	1,189,256
Amounts due from associates		30,000	30,000
Deferred tax assets	15	58,795	52,693
Loan receivable		120,216	72,227
		9,900,286	9,342,929
Current assets			
Inventories		803,958	768,139
Financial assets at fair value through profit or loss		3,084,902	2,160,097
Trade and other receivables and prepayments	11	2,258,566	1,780,483
Tax recoverable		1,270	5,553
Amounts due from associates		448,493	284,088
Bank balances and cash	12	2,701,380	3,706,501
		9,298,569	8,704,861
Current liabilities			
Trade and other payables	13	495,716	484,797
Lease liabilities		16,597	16,933
Contract liabilities		12,133	16,610
Bank borrowings	14	651,815	831,300
Tax liabilities		292,962	166,423
		1,469,223	1,516,063
Net current assets		7,829,346	7,188,798
Total assets less current liabilities		17,729,632	16,531,727

	NOTES	2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	16	83,564	83,564
Reserves		17,312,174	16,227,905
Equity attributable to owners of the Company		17,395,738	16,311,469
Non-controlling interests		147,025	91,639
		17,542,763	16,403,108
Non-current liabilities			
Deferred tax liabilities	15	165,202	116,109
Lease liabilities		21,667	12,510
		186,869	128,619
		17,729,632	16,531,727

1. GENERAL INFORMATION

China Medical System Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 18 December 2006. On 26 June 2007, the Company was listed on the Alternative Investment Market ("AIM") operated by the London Stock Exchange plc. The Company was listed on the Main Board operated by The Stock Exchange of Hong Kong Limited on 28 September 2010 and it was delisted from the AIM on the same date. The Company's ultimate holding company and immediate holding company is Treasure Sea Limited, a company incorporated in the British Virgin Islands. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is Unit 2106, 21/F, Island Place Tower, 510 King's Road, North Point, Hong Kong. The Company has successfully listed its ordinary shares on the Singapore Exchange Securities Trading Limited on 15 July 2025.

The Company is an investment holding company. The principal activities of its subsidiaries are research and development, production, promotion and sale of medicines.

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

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

In the current year, the Group has applied the following amendments to IFRS Accounting Standards for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability

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

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

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

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

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2026.
[3] Effective for annual periods beginning on or after 1 January 2027.

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of IFRS 18 on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

The following is an analysis of the Group's revenue from its major products and services:

At a point in time	2025 RMB'000	2024 RMB'000
Sales of pharmaceutical products	6,605,238	5,887,214
Promotion income	1,606,820	1,581,776
Total revenue	8,212,058	7,468,990

Segment information

The Group determines its operating segments based on the internal reports reviewed by the chief operating decision maker, the Executive Directors of the Company that are used for resources allocation and assessment of segment performance.

During the Reporting Year, the Group reorganised its internal reporting structure which resulted in changes to the composition of its reportable segments. The number of its reportable operating segment was changed to two segments, i.e. (i) integrated pharmaceuticals portfolio (the "Integrated Business") and (ii) skin diseases related business (the "Skin Health Business"), from one segment that was research and development, promotion, sales and manufacturing of pharmaceutical products. Prior year segment disclosures have been represented to conform with the current Reporting Period's presentation.

The revenue and performance of reportable operating segments of the Group are analysed below:

For the year ended 31 December 2025

	Integrated Business RMB'000	Skin Health Business RMB'000	Elimination RMB'000	Total RMB'000
External revenue	7,146,828	1,065,230	-	8,212,058
Inter-segment revenue	27,980	4,619	(32,599)	-
Turnover	7,174,808	1,069,849	(32,599)	8,212,058
Gross profit	5,223,110	674,415	(25,989)	5,871,536
Profit (loss) for the period	1,546,972	(103,695)	-	1,443,277

For the year ended 31 December 2024

	Integrated Business RMB'000	Skin Health Business RMB'000	Elimination RMB'000	Total RMB'000
External revenue	6,899,028	569,962	-	7,468,990
Inter-segment revenue	62,544	47,568	(110,112)	-
Turnover	6,961,572	617,530	(110,112)	7,468,990
Gross profit	5,080,862	391,860	(50,528)	5,422,194
Profit (loss) for the period	1,747,140	(105,630)	(28,430)	1,613,080

The assets and liabilities of reportable operating segments of the Group are analysed below:

As at 31 December 2025

	Integrated Business RMB'000	Skin Health Business RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	19,468,422	2,635,017	(2,904,584)	19,198,855
Segment liabilities	1,554,224	110,151	(8,283)	1,656,092

As at 31 December 2024

	Integrated Business RMB'000	Skin Health Business RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	18,521,257	2,175,853	(2,649,320)	18,047,790
Segment liabilities	1,653,722	224,825	(233,865)	1,644,682

(ii) Performance obligations for contracts with customers and revenue recognition policies

The Group mainly sells pharmaceutical products to distributors which would then further be sold to hospital and medical institutions throughout the PRC and provides promotion services to certain pharmaceutical manufacturers.

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

Variable consideration

For contracts that contain variable consideration (e.g. sales returns or volume rebates), the Group estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

The Group has acted as principal for transactions of pharmaceutical products and acted as agent for the promotion services. In assessing whether the Group acted as principal or agent, the Group has considered whether it controls the pharmaceutical products and promotion services before such products and/or services are transferred to customers, indicators including but not limited to whether the Group has primary responsibility in providing the goods and services to the customers, inventory risk before the customers' order and whether it has discretion in establishing price.

For sales of pharmaceutical products to customers, revenue is recognised at a point in time when control of the pharmaceutical products is passed to customers, i.e. when the products are delivered and titles have passed to customers upon receipt by customers. Sales rebates will be granted to customers by the Group for qualified purchases at a pre-determined amount per unit.

For promotion of pharmaceutical products, revenue is recognised at a point in time when the Group satisfies its obligation to arrange for the pharmaceutical products to be provided by suppliers to distributors.

The Group’s research and development, production, promotion and sale of medicines are primarily in the PRC. Majority of revenue from external customers is attributed to the PRC, 97% and 3% (2024: 99% and 1%) of non-current assets excluding amounts due from associates, derivative financial instruments and deferred tax assets of the Group are located in the PRC and Overseas, respectively.

Sales to the largest customer of the Group account for 17.9% (2024: 18.7%) of the Group’s sales and no other single customers contribute over 10% of the total revenue of the Group for the year ended 31 December 2025.

4. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Interest income	82,348	126,344
Government subsidies (Note)	63,324	82,043
	145,672	208,387

Note: The amounts for both years mainly represented the incentive subsidies provided by the PRC local authorities to the Group to encourage business operation in the PRC. Such government grants were pertinent to income and aim to give immediate financial support to the Group with no future related costs. There were no unfulfilled conditions attached to these grants and, the Group has recognised the grants upon receipts.

5. OTHER GAINS AND LOSSES

	2025 RMB'000	2024 RMB'000
Impairment loss on interest in an associate	(20,000)	(100,000)
Impairment loss on deposit paid for acquisition of intangible assets	(31,740)	(1,152)
Impairment loss (recognised) reversed under ECL model, net of reversal	(1,723)	499
Gain on disposal of a subsidiary	19,594	-
(Loss) gain on disposal of property, plant and equipment	(867)	500
Net foreign exchange loss	(12,839)	(53,147)
Change in fair value of derivative financial instruments	-	17,227
Change in fair value of financial assets at FVTPL	230,987	(9,025)
Others	(26,505)	(6,146)
	156,907	(151,244)

6. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank borrowings	17,563	36,398
Interest on lease liabilities	2,734	2,212
	20,297	38,610

7. INCOME TAX EXPENSE

	2025 RMB'000	2024 RMB'000
Current tax:		
The PRC Enterprise Income Tax ("EIT")	528,332	249,610
Hong Kong Profits Tax	2,558	5,470
Macau Complementary Income Tax	74,050	42,917
Dubai Income Tax	4,723	14,664
Withholding tax	-	85,000
	609,663	397,661
Over (under) provision in prior years:		
The PRC EIT	(785)	2,936
Hong Kong Profits Tax	149	2,524
Macau Complementary Income Tax	-	(733)
	(636)	4,727
Deferred taxation (Note 15):		
- Current year	50,757	(5,161)
	659,784	397,227

Notes:

(a) The PRC Enterprise Income Tax

The provision for PRC Enterprise Income Tax is based on the estimated taxable income for the PRC taxation purposes at the applicable rates for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for those described below.

天津康哲醫藥科技發展有限公司 (Formerly known as 天津康哲維盛醫藥科技發展有限公司) (Tianjin Kangzhe Pharmaceutical Technology Development Co., Ltd.) ("Tianjin Kangzhe") is entitled to a reduced tax rate of 15% (2024: 15%) granted by the local tax authority until 2027. 西藏康哲藥業發展有限公司 (Tibet Kangzhe Pharmaceutical Development Co., Ltd) ("Tibet Kangzhe Development") is entitled to a reduced tax rate of 15% (2024: 9%) granted by local tax authority until 2030. 海南德鎂醫藥科技有限責任公司 (formerly known as 海南康哲美麗科技有限公司) (Hainan Dermavon Pharmaceutical Technology Co., Ltd.) and 海南康哲維盛科技有限公司(Hainan Kangzhe Vision Technology Co., Ltd.) are entitled to a reduced tax rate of 15% (2024: 15%) granted by local tax authority until 2027.

During the year ended 31 December 2025, Tibet Kangzhe Development did not be eligible for local income tax concessions, which is the exemption of the local income tax portion owned by the local government. As a result, the applicable enterprise income tax rate for this subsidiary for the calendar year of 2025 increased from 9% to 15%.

(b) Hong Kong Profits Tax

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%, while only one entity nominated by a group of "connected" entities will be entitled to select the lower tax rate. The profits of group entities not elected/qualified for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

(c) PRC Withholding Income Tax

PRC withholding income tax of 10% shall be levied on the dividend declared by the companies established in the PRC to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding rate may be applied when the immediate holding company of the PRC subsidiaries are incorporated or operated in Hong Kong and fulfil the requirements to the tax treaty arrangements between the PRC and Hong Kong.

(d) Overseas Income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap.22 of Cayman Islands and accordingly, is exempted from the Cayman Islands Income Tax.

(e) Macau Complementary Income Tax

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits. The maximum tax rate is 12% for the years ended 31 December 2025 and 2024.

(f) Dubai Tax

United Arab Emirates Corporate Tax is calculated at 9% on assessable profits exceeding 375,000 United Arab Emirate Dirham (“AED”) for the year ended 31 December 2025 and 2024.

The tax charge for the year can be reconciled to the 'profit before tax' per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	2,103,061	2,010,307
Tax at PRC EIT rate of 25%	525,765	502,577
Tax effect of share of results of associates	(59,698)	(84,637)
Tax effect of share of result of a joint venture	(876)	(689)
Tax effect of expenses that are not deductible in determining taxable profit	45,200	99,177
Tax effect of income that is not taxable in determining taxable profit	(14,178)	(11,633)
Tax effect of tax losses not recognised	79,052	21,295
Tax effect of deductible temporary differences not recognised	(2,783)	(547)
Tax effect of tax concession	(92,044)	(186,472)
Effect on different applicable tax rates of subsidiaries	(47,301)	(34,186)
Additional tax in relation to change in tax rate of a subsidiary	223,835	-
Under provision in prior years	(636)	4,727
Withholding tax	-	85,000
Others	3,448	2,615
Income tax expense for the year	659,784	397,227

8. PROFIT FOR THE YEAR

	2025 RMB'000	2024 RMB'000
Profit for the year has been arrived at after charging:		
Directors' remuneration		
Fees	1,864	1,980
Salaries and other benefits	11,931	15,104
Contribution to retirement benefits schemes	100	160
	13,895	17,244
Other staff costs	1,506,392	1,338,076
Contribution to retirement benefits schemes	335,300	301,007
Employee benefits expense (Note 17)	32,830	7,680
Total staff costs	1,888,417	1,664,007
Auditor's remuneration	3,414	3,938
Depreciation of property, plant and equipment	47,236	50,755
Depreciation of right-of-use assets	20,591	23,500
Amortisation of intangible assets (included in cost of goods sold)	199,101	184,983
Cost of inventories recognised as an expense	2,049,007	1,826,933
Write-down of inventories	20,000	-

9. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Dividends paid		
Dividends recognised as distributions during the year:		
2025 Interim - RMB0.1555 (2024: 2024 Interim dividend RMB0.1507) per share	376,388	364,171
2024 Final - RMB0.1174 (2024: 2023 final dividend RMB0.0783) per share	284,167	191,991
	660,555	556,162
Dividends proposed		
Dividends proposed during the year:		
2025 final - RMB0.1366 (2024: 2024 final - RMB0.1174) per share	330,641	283,700

Subsequent to the end of the reporting period, the Board of Directors has declared a final dividend of RMB0.1366 per ordinary share for the year ended 31 December 2025 (2024: RMB0.1174 per ordinary share).

10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	2025 RMB'000	2024 RMB'000
Earnings for the purposes of basic earnings per share (profit for the year attributable to owners of the Company)	1,488,892	1,619,788

	Number of ordinary shares as at 31 December	
	2025	2024
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,419,522,170	2,427,382,419

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2025 RMB'000	2024 RMB'000
Trade receivables	1,599,130	1,232,012
Less: Allowance for credit losses	(11,256)	(9,533)
	1,587,874	1,222,479
Bills receivables	226,480	198,805
Purchase prepayments	261,226	204,617
Other receivables and deposits	182,986	154,582
	2,258,566	1,780,483

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB 1,146,738,000.

The Group normally allows a credit period ranging from 0 to 90 days to its trade customers, but longer credit period up to four months is allowed to some selected customers.

The following is an analysis of trade receivables by age, net of allowance for credit losses presented based on the dates of receipt of goods at the respective reporting dates, which approximate the revenue recognition dates and an analysis of bills receivables by age, net of allowance for credit losses, presented based on the bills issuance date at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Trade receivables		
0 - 90 days	1,543,981	1,186,892
91 - 365 days	43,893	35,587
	1,587,874	1,222,479
Bills receivables		
0 - 90 days	123,833	133,854
91 - 120 days	38,525	32,616
121 - 180 days	64,122	32,335
	226,480	198,805

As at 31 December 2025, total bills receivables amounting to RMB 226,480,000 (2024: RMB198,805,000) are held by the Group. All bills receivable by the Group are accepted by banks with a maturity period of less than six months.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB4,587,000 (2024: RMB4,243,000) which are past due at the reporting date. RMB 4,171,000 (2024: RMB525,000) was more than 90 days past due and is not considered as in default. Based on the historical experiences of the Group, trade receivables past due are generally recoverable due to the long-term relationship and good repayment record.

The Group does not hold any collateral over these balances.

12. BANK BALANCES AND CASH

Cash and cash equivalents/pledged/restricted bank deposits

Cash and cash equivalents include short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.0001% to 3.60% (2024: 0.0001% to 4.47%). Included in bank balances mainly are the following amounts denominated in currencies other than functional currency of the relevant group entities:

	2025 RMB'000	2024 RMB'000
Euro ("EUR")	77,638	116,671
Hong Kong Dollar ("HK$")	18,081	22,384
United States Dollar ("US$")	864,876	1,457,783

13. TRADE AND OTHER PAYABLES

An aging analysis of the trade payables presented based on the invoice date at the end of the reporting periods is as follows:

	2025 RMB'000	2024 RMB'000
0 - 90 days	99,938	135,883
91 - 365 days	2,803	4,212
Over 365 days	3,834	2,337
Trade payables	106,575	142,432
Payroll and welfare payables	235,252	214,922
Other tax payables	85,087	27,416
Accrued promotion expenses	23,818	26,315
Accruals	29,794	61,232
Other payables	15,190	12,480
	495,716	484,797

The credit period on purchases of goods is ranging from 0 to 120 days.

14. BANK BORROWINGS

	2025 RMB'000	2024 RMB'000
Bank loans	651,815	831,300
Analysed as:		
Unsecured	650,033	831,300
Secured	1,782	-

	2025 RMB'000	2024 RMB'000
The carrying amounts of the above borrowings are repayable*:		
Within one year	651,815	831,300
	651,815	831,300
Less: Amounts due within one year shown under current liabilities	(651,815)	(831,300)
Amounts shown under non-current liabilities	-	-

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates (which are also equal to contractual interest rate) on the Group's borrowings and their carrying values are as follows:

	2025 RMB'000	2024 RMB'000
Fixed-rate borrowing		
Denominated in RMB at fixed rate of 1.00% per annum as at 31 December 2025	8,000	-
Denominated in RMB at fixed rate of 1.10% per annum as at 31 December 2024	-	40,300
Denominated in RMB at fixed rate of 1.35% per annum as at 31 December 2024	-	19,000
Denominated in RMB at fixed rate of 1.90% per annum as at 31 December 2025	360,000	-
Denominated in RMB at fixed rate of 2.40% per annum as at 31 December 2025 and 2024	270,000	185,000
Denominated in RMB at fixed rate of 2.50% per annum as at 31 December 2025 and 2024	5,000	500,000
Denominated in RMB at fixed rate of 2.51% per annum as at 31 December 2025	1,782	-
Denominated in RMB at fixed rate of 2.60% per annum as at 31 December 2024	-	87,000
Denominated in RMB at fixed rate of 3.00% per annum as at 31 December 2025	7,033	-
Total	651,815	831,300

As at 31 December 2025, the Group had unutilised banking facilities of approximately RMB 3,895,427,000 (2024: RMB1,880,341,000). And approximately RMB 1,782,000 (2024: Nil) borrowings secured by land, property, plant and equipment.

15. DEFERRED TAX

The following are the deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Unrealised profits on inventories	Fair value adjustments to assets acquired in business combinations	Unrealised profit of equity instruments at FVTOCI	Unrealised profit of equity instruments at FVTPL	Tax losses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	25,044	(10,205)	(63,964)	(34,804)	14,151	1,201	(68,577)
Credit (charge) to profit or loss for the year (Note 7)	6,566	1,255	-	(8,391)	5,731	-	5,161
At 31 December 2024	31,610	(8,950)	(63,964)	(43,195)	19,882	1,201	(63,416)
Credit (charge) to profit or loss for the year (Note 7)	3,890	(727)	-	(59,391)	4,389	1,082	(50,757)
Disposal of a subsidiary	-	9,677	-	-	(1,911)	-	7,766
At 31 December 2025	35,500	-	(63,964)	(102,586)	22,360	2,283	(106,407)

The following is the analysis of the deferred tax assets (liabilities) for financial reporting purposes:

	2025	2024
	RMB'000	RMB'000
Deferred tax assets	58,795	52,693
Deferred tax liabilities	(165,202)	(116,109)
	(106,407)	(63,416)

At 31 December 2025, the Group had unused tax losses of approximately RMB955,149,000 (2024: RMB455,987,000) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately RMB168,758,000 (2024: RMB138,603,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB786,391,000 (2024: RMB317,384,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses at 31 December 2025 are tax losses of approximately RMB309,388,282 (2024: RMB73,650,000) that will expire within 5 years from the year of originating. Other tax losses may be carried forward indefinitely. During the year ended 31 December 2025, tax losses of approximately RMB1,086,000 (2024: RMB1,364,000) was expired.

As at 31 December 2025, the Group had deductible temporary differences of RMB859,223,000 (2024: RMB844,095,000) available for offsetting against future profits. A deferred tax asset has been recognised in respect of RMB152,696,000 (2024: RMB126,436,000) of such deductible temporary difference. No deferred tax asset has been recognised in respect of the remaining balance of RMB706,527,000 (2024: RMB717,659,000) as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiary, from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB8,955,832,000 (2024: RMB7,753,081,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

16. SHARE CAPITAL

	Number of shares '000	Amount RMB'000
Ordinary shares of US$0.005 each		
Authorised		
At 1 January 2024, 31 December 2024 and 31 December 2025	20,000,000	765,218
Issued and fully paid		
At 1 January 2024	2,451,989	83,991
Shares repurchased and cancelled (Note)	(12,460)	(427)
At 31 December 2024 and 2025	2,439,529	83,564

Note: During the year ended 31 December 2025, the number of ordinary shares is the same as that of the last year. During the year ended 31 December 2024, the Company repurchased its own ordinary shares through The Stock Exchange of Hong Kong Limited as follows:

Month of repurchase	No. of ordinary shares of US$0.005 each	Price per share		Aggregated consideration paid
		Highest	Lowest	
		HK$	HK$	HK$
March 2024	1,180,000	8.43	8.24	9,841,438
April 2024	21,780,000	8.00	6.95	161,037,720
May 2024	12,500,000	7.63	7.09	91,913,310
Total	35,460,000			262,792,468

During the year ended 31 December 2025, 3,973,000 shares were issued to employees as equity incentives, reducing treasury stock. The remaining 19,027,000 shares were held as treasury stock at a cost of HK$142,132,000 (RMB130,661,000), presented as a deduction from equity.

During the year ended 31 December 2024, 12,460,000 shares were cancelled, the rest of 23,000,000 shares were repurchased by the trustee of the Company and were not cancelled and remained as treasury stock as at 31 December 2024 at a cost of HK$171,810,000 (equivalent to RMB157,947,000) in equity.

17. EMPLOYEE BENEFIT SCHEME

The 2009 Scheme was adopted by the Board on 31 July 2009 ("Adoption Date"). Unless terminated earlier by the Board, the 2009 Scheme shall be valid and effective for a term of 20 years commencing on the Adoption Date. Pursuant to the rules of the 2009 Scheme, the Company set up a trust through a trustee (the "Trustee"), Fully Profit Management (PTC) Limited, for the purpose of administering the 2009 Scheme. A summary of some of the principal terms of the 2009 Scheme is set out below.

(a) The purpose of the 2009 Scheme is to recognise the contributions by certain employees who have been actively involved in the business development of the Group and to establish and maintain a superannuation fund for the purpose of providing retiring allowances for certain employees (including without limitation employees who are also directors) of the Group, and to give incentive in order to retain them for the continual operation and development of the Group.

(b) Under the 2009 Scheme, the Board of Directors (the "Board") may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think appropriate select an employee (the "Member") who completed 10 years' services in the Group (subject to consent of the Board if the employee completed 5 years' services in the Group) for participation in the 2009 Scheme for 10 years after retirement (the "Payment Year") (subject to adjustment set out in (d) below).

(c) The Company will, on a yearly basis, contribute the sum equal to an amount not less than 0.5%, but no more than 3% of its after tax profits shown on the audited consolidated financial statements of the Group, or issue such number of shares of the Company to the Trustee in consideration of payment of such amount as the Board may determine with reference to the aforesaid contribution as against the then market value of the shares of the Company (the "Yearly Contributions"), subject to the Board’s approval.

(d) The amount payable to the Members depends on the value of the assets held by the Trustee (the "Fund"). If the value of the Fund is less than the aggregate amount of contributions previously made by the Company, the amount payable to the Members and the Payment Year will be adjusted by a factor derived from the value of the Fund and the aggregate amount of contributions previously made by the Company. The only obligation of the Company is to make the Yearly Contributions to the Fund. As such, the 2009 Scheme is classified as defined contribution scheme.

On 22 December 2016, the Board has resolved to adopt two new employee incentive schemes, with details as follows:

(a) The Bonus Scheme

i. This scheme is for the purpose of providing discretionary cash bonuses to selected employees of the Group to recognise their contribution to the Group.

ii. This scheme is open to the employees employed by the Group, except for the directors of the Company.

(b) The New KEB Scheme

i. The New KEB Scheme will replace the 2009 Scheme and shall comprise terms which are substantially similar to the 2009 Scheme, except for the ratio of contribution, which was determined by the audited consolidated financial performance.

ii. The subsisting rights of all participants under 2009 Scheme will be rolled over to the New KEB Scheme.

For the purposes of effecting the merger and facilitating the administration of the Bonus Scheme and the New KEB Scheme, the Company has resolved to set up a new trust comprising the Bonus Scheme and KEB Scheme (collectively referred to as the "Master Scheme"). Unless terminated earlier by the Board, the Master Scheme shall be valid and effective until the later of the termination of the Bonus Scheme or the New KEB Scheme. The term of each of the Bonus Scheme and the New KEB Scheme is 20 years subject to the terms of their respective scheme rules. TMF Trust (HK) Limited ("TMF"), a company incorporated in Hong Kong, is appointed as the initial trustee of the new trust (the "New Trustee").

The amount payable to the members of the Bonus Scheme in a financial year depends on a variety of factors, including the value of the assets held by the New Trustee (the "New Fund"), the appreciation in the value of the assets held under the New Fund, the financial performance of the Group and the performances of individual employees during the year. The New Fund is independent from the Company and the change in value of the New Fund has no impact on the Group's financial performance and financial position. The only obligation of the Company is to make the Annual Contributions to the New Fund subject to the terms of the scheme rules of the Bonus Scheme. The Bonus Scheme is classified as a discretionary scheme of the Company. No employee benefit expenses were recognised by the Company and the Group for both years.

During the year ended 31 December 2025, the Company recognised an expense of RMB5,520,000 (2024: RMB7,680,000) on the Master Scheme based on the Group's financial performance, in which such amount was recognised as employee benefit expenses in the consolidated statement of profit or loss and other comprehensive income.

CMS SHARE AWARD SCHEME

On 17 January 2024, the Board has resolved to adopt a new employee incentive scheme and has a validity period of 10 years from the date of adoption. The Company has engaged an independent professional trustee to administer the CMS Scheme, and the trustee will use the Company's funds to purchase the Company's shares (the "Shares") from the secondary market. No more than 100 million Shares will be granted at nil consideration to eligible participants, comprising the Group's core management, key employees in the product team (including employees responsible for product launch, research and development, and registration), key employees in the sales team (including employees responsible for marketing and promotion), and key employees in the operations team.

The Scheme shall be subject to the administration of the Board whose decisions on all matters arising in relation to the Scheme shall be final and conclusive. The Board has authorized to establish a management committee (the "Management Committee"), which will exercise such powers as delegated by the Board.

Performance Targets:

(a) **Share Awards for the Launch of new Products.** Under the Scheme, the Group will implement incentive programme with three-year (or other durations to be determined by the Board) cycles to encourage the introduction of new products. Eligible participants who contribute to the launch of new products will be considered for share awards. The vesting of these awards is contingent upon the achievement of defined product launch targets within the specified timeframes. The criteria for what constitutes a qualified new product include, but are not limited to, the anticipated investment, the potential for sales revenue, and the expected profitability of the new product, and the performance targets will be set accordingly.

(b) **Share Awards for the Sale of new Products.** The Group will set sales targets for the new products and other relevant existing products within a specified period. Vesting of the relevant share awards will depend on whether such sales targets are met. These awards will be allocated to eligible participants who are expected to make significant contributions to achieving the outlined sales performance.

During the year ended 31 December 2025, the Company recognised an expense of RMB27,310,000 (2024: Nil) on the Scheme based on individual's contributions to meeting those targets, in which such amount was recognised as share-based payment in the consolidated statement of profit or loss and other comprehensive income.

MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

China Medical System Holdings Limited (the "Company", together with its subsidiaries, the "Group" or "CMS") is an open platform company linking medical innovation with commercialization and provides end-to-end product life-cycle management. The Group is committed to providing competitive products and services that address unmet medical needs.

Driven by a dual-engine model of "collaborative development + in-house R&D," the Group continues to expand a differentiated innovation pipeline featuring first-in-class ("FIC") and best-in-class ("BIC") assets, while efficiently

advancing clinical research, development and commercialization. Through this approach, we accelerate the translation of scientific breakthroughs into clinical practice and deliver tangible improvements in patient outcomes. As of 16 March 2026, the Group's differentiated innovation pipeline had expanded to approximately 50 programs, of which 7 innovative drugs have been approved in China.

Focusing on several specialty therapeutic fields, the Group has built an efficient commercialization system anchored in medical value, supported by broad channel coverage and multi-disease-area resources. Our core marketed products have achieved leading academic recognition and market positions. Building on our established specialty strengths, the Group continues to deepen its focus to enhance the scale and efficiency of our specialty businesses in Cardiovascular-Kidney-Metabolic, central nervous system (CNS), gastroenterology, ophthalmology, and skin health businesses. Notably, our skin health business, Dermavon, has grown into a leading pharmaceutical company in China specialized in innovative skin health products and is proposed to be separately listed on the Main Board of The Stock Exchange of Hong Kong Limited.

In parallel, the Group is actively executing its "industrial internationalization" strategy, leveraging Singapore as a hub for emerging markets to build an efficient, end-to-end value chain with strong "R&D – manufacturing – commercialization" synergies. Following our secondary listing in Singapore, we have further strengthened strategic recognition and connectivity to resources in international market, enabling new avenues for high-quality, sustainable growth.

Business Review

In 2025, China's pharmaceutical industry entered a profound transformation phase under a macro policy framework of "structural encouragement of innovation." A recovery in domestic demand and a steady rebound in healthcare spending provided a more supportive demand backdrop for the ramp-up of innovative products. The formal release of the *Several Measures to Support the High-Quality Development of Innovative Drugs* materially improved the ecosystem across R&D, market access and payment, accelerating commercialization of innovative therapies. Continued refinement of the National Reimbursement Drug List (NRDL) dynamic adjustment mechanism, together with the normalization of volume-based procurement (VBP), further redirected resources toward products with differentiated advantages. Meanwhile, the global relevance of China-originated innovation assets continued to rise, with cross-border partnerships becoming increasingly active. Industry competition has shifted to a higher level—defined by R&D foresight, the ability to integrate global resources, and the breadth and depth of commercialization execution.

In response to the industry's profound evolution, the Group remains firmly committed to its three strategic pillars: "Product Innovation", "Commercial Model Reform" and "International Expansion" and continues to transition steadily toward an innovation-driven, specialty-focused and operationally efficient international pharmaceutical company. To further strengthen our R&D ecosystem, we not only advance co-development programs with our R&D partners, but also make strategic equity investments in selected partners, proactively positioning the Group in frontier biotechnology. Leveraging our strong clinical development and commercialization capabilities, we continue to provide full-lifecycle empowerment to our investee companies and collaborative programs, accelerating technology translation and development progress. We also reinvest investment returns back into

innovation R&D and, through collaboration of innovative product candidates, further enrich our commercialization pipeline—thereby establishing a value-enhancing ecosystem that links "Investment, Innovation and Commercialization." In parallel, the Group is deeply embedding AI-enabled digital intelligence across the entire value chain, including R&D, manufacturing, commercialization, and corporate management, to drive process re-engineering and lift productivity per capita, optimize product decision-making, resource allocation and ROI management, and enhance operating efficiency and decision agility, in support of the Group's long-term development. Through the synergy of our strategic execution, innovation engine, investment-ecosystem synergy and digital enablement, the Group is accelerating toward multi-engine, high-quality and sustainable growth—entering a new chapter in the rise of the "New CMS."

In 2025, the Group's operational performance returned to a growth trajectory amid continuous portfolio optimization, with both turnover and normalized annual profit posting solid year-on-year increases:

Turnover reached RMB8,212.1 million, representing a 9.9% year-on-year increase (2024: RMB7,469.0 million). In the case that all medicines were directly sold by the Group, turnover amounted to RMB9,385.6 million, up 8.9% year-on-year (2024: RMB8,621.6 million). In the case that all medicines were directly sold by the Group, sales from key exclusive/branded products and innovative products reached RMB5,613.4 million, representing a year-on-year growth of 23.3% (2024: RMB4,551.3 million), accounting for 59.8% of total turnover (2024: 52.8%). Within this segment, exclusive and innovative drugs grew by 44.1%, solidifying their position as the core growth engine. Due to the impact of certain non-recurring and non-operational items, the profit for the year of 2025 was RMB1,443.3 million, a decrease of 10.5% year-on-year (2024: RMB1,613.1 million). Excluding the effect of these non-recurring and non-operational items, the Group's normalized annual profit reached RMB1,775.5 million, representing a 3.6% year-on-year increase (2024: RMB1,713.7 million), which objectively reflects the Group's profitability of ongoing operations.

Supported by the Group's solid financial position, the Board has proposed a final dividend of RMB0.1366 per share (excluding treasury shares). Together with the interim dividend, the total annual dividend per share for 2025 amounts to RMB0.2921, representing a 9.0% increase over 2024. This demonstrates the Group's commitment to reward shareholders for their sustained support and confidence in the long-term development of the Group.

The Group has adopted a "Collaborative Development + In-house R&D" model to build an innovation engine that combines near-term certainty and long-term potential. "Collaborative Development" safeguards the richness and competitiveness of the short-term and mid-term pipeline, rapidly broadening the product matrix; "In-house R&D" involves deep deployment in advanced biotechnology, building the cornerstone for long-term development and a sustained innovation driver. Since the beginning of 2025, the Group's tiered innovation portfolio continued to expand and upgrade in both scale and quality: two new drugs were approved for marketing, namely Lumirix (ruxolitinib phosphate cream) for vitiligo (approved for marketing in China in January 2026) and Desidustat Tablets (approved for marketing in China in March 2026). Marketed innovative drugs accelerated their ramp-up, gradually generating scale effects in promotion. Six innovative drugs are under China's NDA review, building momentum for subsequent growth, namely Loberamisal for Injection (Y-3 for Injection); the innovative products newly added during the year, Silevimig Injection and Vecantoxatug Injection; Benzgalantamine Gluconate Enteric-coated Tablets (ZUNVEYL), Comekibart Injection (MG-K10 for Atopic Dermatitis (AD)) and ruxolitinib

phosphate cream for AD (China NDA accepted in February 2026). In-house R&D products with global rights, including the GnRH receptor antagonist (CMS-D002), the GLP-1R/GCGR dual agonist (CMS-D005), the cardiac myosin inhibitor (CMS-D003), the TYK2 inhibitor (CMS-D001), and the complement factor B inhibitor (CMS-D017) (entered China Phase I clinical trial in March 2026) have advanced steadily in clinical development, strengthening the Group's proprietary innovative asset base.

The Group has cultivated a strong presence in specialty-disease therapeutics. Beyond its core markets, the Group is proactively building and scaling an out-of-hospital growth engine centered on "new retail, digital channels and consumer healthcare" to capture the opportunities arising from prescription outflow, a more diversified payment landscape and growing consumer healthcare demand. In parallel, it is strengthening channel reach and brand building to unlock incremental growth through a robust out-of-hospital ecosystem. The Group's skin health business, Dermavon, has established a leading position in China's skin health sector. Dermavon is proposed to be spun off and listed independently on the Main Board of the SEHK by way of introduction, together with a distribution in specie of its shares, aiming to unlock its standalone value and high-growth potential.

In addition, the Group is actively deepening its "Industrial Internationalization" footprint, building a highly efficient, end-to-end ecosystem spanning "R&D, manufacturing and commercialization." On 15 July 2025, the Group successfully completed a secondary listing on the SGX-ST by way of introduction, and is leveraging this milestone as a strategic anchor to advance deeper penetration into emerging markets, shaping a new multi-regional and sustainable growth landscape.

Looking back on 2025, CMS has achieved milestone strategic breakthroughs. Going forward, as the "New CMS" strategy is comprehensively implemented, the Group will stay committed to innovation as its core engine, continuously build a diversified commercialization ecosystem with coordinated in-hospital and out-of-hospital channels, accelerate the realization of its "Industrial Internationalization" system advantages across emerging markets, and embed AI-enabled digital intelligence throughout operations and management. With strong development resilience and strategic momentum, the Group is steadily evolving into an innovation-driven multinational pharmaceutical company rooted in China and competing across emerging markets globally, creating enduring value for the global healthcare industry.

I. Innovation R&D System

"Innovation-driven" is a vital endogenous engine for the Group's high-quality and sustainable development. We have established a systematic monitoring mechanism for market trends and frontier technologies. Through a dual-driven strategy of "Collaborative Development + In-house R&D, " we have constructed an innovative product development matrix characterized by diversified pathways and dynamic synergy, continuously promoting a tiered differentiated pipeline centered on FIC and BIC products. Leveraging our full-chain R&D system—which spans from target discovery to new drug registration—we empower the efficient transformation of cutting-edge biotechnology into clinical value, bringing more breakthrough disease solutions to patients.

As of 16 March 2026, the Group has strategically deployed approximately 50 differentiated innovative pipeline products, forming a tiered portfolio structured as "early-stage incubation - clinical developments - regulatory

review - market scaling." Among these, 7 innovative drugs (Lumirix for vitiligo, ILUMETRI, VELPHORO, Metoject, Desidustat Tablets, VALTOCO and LUMEBLUE) have been approved for marketing in China. 6 innovative drugs (Loberamisal for Injection, Silevimig Injection, Vecantoxatug Injection, Benzgalantamine Gluconate Enteric-coated Tablets, Comekibart Injection for AD, and ruxolitinib phosphate cream for AD) are under NDA review in China. Approximately 20 projects are about to initiate or are progressing through clinical trials. Within this category, approximately 6 in-house R&D projects with global independent intellectual property rights have entered into the clinical stage. Furthermore, the Group's in-house R&D pipeline possesses over 20 candidate products currently in the pre-clinical research stage.

In January 2026, Lumirix (ruxolitinib phosphate cream) obtained China NDA approval for vitiligo, becoming the first topical JAK inhibitor approved in China for vitiligo. The China NDA for its AD indication was accepted in February 2026. In March 2026, a novel oral Hypoxia-Inducible Factor Prolyl Hydroxylase Inhibitor (HIF-PHI) Desidustat Tablets was approved for marketing in China for treating anaemia in non-dialysis adult CKD patients.

1. Innovative Products of CMS

1.1 Core Innovative Drugs Approved for Marketing in China

- ***VELPHORO (Sucroferric Oxyhydroxide Chewable Tablets) – China's first iron-based, non-calcium phosphate binder (PB), providing potent phosphorus reduction with lower pill burden, and improving nutritional status in patients; approved in China in 2023; in the Category B of NRDL***

VELPHORO is indicated for the control of serum phosphorus (sP) levels in adult chronic kidney disease (CKD) patients on hemodialysis or peritoneal dialysis, and filled the gap of phosphorus-lowering treatment for Chinese paediatric patients aged 12 to 18 years old with CKD stages 4-5 (defined by a glomerular filtration rate <30 mL/min/1.73 m^2) or CKD on dialysis. Moreover, in January 2026, the Supplemental New Drug Application of the product for the control of sP levels in pediatric patients 9 years of age and older with CKD stages 4-5 or with CKD on dialysis was approved by the China National Medical Products Administration (NMPA). It is demonstrated in multiple global clinical studies, real-world study (RWS) data and the Chinese instruction that compared with other PBs, patients maintained on VELPHORO used about 50% fewer PB pills/day, and the proportion of patients achieving target sP increased by 95%. VELPHORO has characteristics of good safety and patient compliance without risk of calcium and heavy metal accumulation. In addition, it holds the advantages of unaffected absorption of oral liposoluble vitamin D, maintaining stable iron parameters, improving the nutritional status in patients, etc..

During the Reporting Period, the product was included in the "Chinese expert consensus on the clinical management of hyperphosphatemia in patients with chronic kidney disease (2025 edition)" and the "Clinical practice guidelines for management of chronic kidney disease during peridialysis in China (2025)". Meanwhile, taking the opportunity of the National Health Commission's prioritization of "improving sP control rates in patients on dialysis" as a key quality control improvement target, the product leveraged its core advantage of "achieving target with good sP levels reduction" to further consolidate its leading position in the field of dialysis hyperphosphatemia treatment.

- ***Metoject (Methotrexate (MTX) Injection) – China's first pre-filled MTX Injection for subcutaneous administration for the treatment of RA and psoriasis; its core indication of RA was approved in China in 2024; in the Category A of NRDL***

Metoject is indicated for the treatment of active rheumatoid arthritis (RA) in adult patients, and severe recalcitrant

disabling psoriasis in adult patients. The results of the bridge clinical trial of its RA indication in China demonstrate that after 12 weeks of treatment, compared to oral methotrexate tablets, the changes of DAS28-ESR score of patients treated by Metoject compared with the baseline achieved non-inferiority, and the results of secondary efficacy indicators suggest that the efficacy of Metoject is significantly better or there is a trend of better. In addition, some of the curative effects that can be observed in the early stage of the product are more obvious than those of methotrexate tablets, suggesting that the curative effect of the product appears earlier, with a lower incidence of gastrointestinal adverse reactions. The results were published in the academic journal *Rheumatology* in February 2025.

During the Reporting Period, the product was recommended by authoritative guidelines, including "Consensus on early diagnosis and treatment of psoriatic arthritis (2025)" and "EULAR Recommendations for the Management of Rheumatoid Arthritis-2025 Update" published by the European Alliance of Associations for Rheumatology (EULAR). During the Reporting Period, the Group further strengthened Metoject's core position as the first-line treatment and anchor combination therapy for RA. Leveraging a matrix of academic platforms, the Group translated Metoject's core advantages of "rapid onset, strong efficacy, durable efficacy and synergistic efficacy", together with its convenient injection features, into broad clinical recognition and practice, promoting standardized upgrading of RA management, and enabling long-term patient benefits.

- ***Desidustat Tablets - A novel oral Hypoxia-Inducible Factor Prolyl Hydroxylase Inhibitor; approved in China in March 2026***

Desidustat Tablets is indicated for treating anaemia in non-dialysis adult patients with Chronic Kidney Disease (CKD). Its mechanism of action promotes erythropoiesis through increasing endogenous erythropoietin, improving iron availability and reducing hepcidin. The product is administrated orally, thus expecting to improve the treatment compliance of patients. The China Phase III clinical trial of Desidustat Tablets has demonstrated positive results. The primary endpoint of the haemoglobin (Hb) mean change from baseline to the period of Week 7-9 has indicated that, Desidustat is more effective than placebo in increasing Hb level. Results from the extension study demonstrate that the product can maintain Hb level within the target range over the long term with acceptable safety. In addition, the product significantly reduces hepcidin levels and ameliorates iron metabolism disorders.

1.2 Innovative Drugs under NDA Review in China

- ***Loberamisal for Injection (Y-3 for Injection) – The world's first brain cytoprotectant developed based on the important targets of stroke, PSD95-Nnos and MPO, with potential to achieve a technological breakthrough in the simultaneous intervention of "stroke treatment and prevention of post-stroke depression and anxiety"; China NDA accepted in December 2025***

Y-3 for Injection is intended for the treatment of acute ischemic stroke. As an innovative drug with well-defined targets and clear mechanism of action, Y-3 for Injection acts on multiple key pathological processes of the ischemic cascade in ischemic stroke through multi-target, highly selective synergy: the product is able to uncouple PSD95-nNOS, inhibit MPO activity, and enhance the activity of α_2-$GABA_A$ receptor (a subtype of $GABA_A$ receptor with antidepressant and anxiolytic effects). With this multi-target, highly selective synergistic mechanism, it is expected to achieve a technological breakthrough in the simultaneous intervention of "stroke treatment and prevention of post-stroke depression and anxiety".

During the Reporting Period, Y-3 for Injection completed the Phase III clinical trial in China and met the primary efficacy endpoint: patients in the Y-3 for Injection group demonstrated a significantly higher proportion of patients achieving an excellent functional outcome at 90 days than those in the placebo group, with a rate difference of 13%. The relative risk (RR) of 1.24 (95% CI 1.12 - 1.36), representing a statistically significant difference which suggests that the product can significantly improve the functional outcomes of patients with acute ischemic stroke. Meanwhile, the product demonstrated a favorable safety profile. Furthermore, exploratory outcome analysis also indicated that the product has certain advantages in improving post-stroke depression and anxiety. The full study results of the Phase III trial will be submitted for publication in international academic journals. Previously, the results of Phase II clinical trial presented at the 10th European Stroke Organisation Conference in 2024 ("ESOC 2024") indicated that among patients with ischemic stroke within 48 hours of onset, treatment with Y-3 group (40 mg, qd) demonstrated a significantly higher proportion of patients achieving an excellent functional outcome (mRS of 0-1) at 90 days than those in the placebo group, with a rate difference of 16% (76.7% vs 60.7%). Moreover, the product showed comparable safety to placebo in acute ischemic stroke patients, exhibiting good tolerability.

- ***Silevimig Injection – The world's first recombinant, fully human bispecific antibody against rabies virus targeting epitope I and/or epitope III of the G protein; China NDA accepted in January 2025***

Silevimig Injection is intended for passive immunization following suspected rabies virus (RABV) exposure in adults. If approved for marketing, it is expected to improve the limitations of existing passive immunization agents in terms of safety and accessibility, leveraging its differentiated competitive advantages. Its molecular design is consistent with the World Health Organization ("WHO")'s recommendation of "cocktail" combinations for anti-RABV antibody development, to ensure broad effectiveness across different viral strains and genotypes. As a Class 1 innovative biologic, Silevimig Injection supports large-scale, standardized production. In addition, it has advantages such as broad neutralization, low immunogenicity, minimal interference with vaccine-induced active immunity, and controlled production cost.

In a Phase III clinical trial in China for passive immunization following suspected RABV exposure in adults, the product met its primary efficacy endpoint, demonstrating non-inferior protective efficacy compared with human rabies immunoglobulin (HRIG), the currently most used passive immunization product in China. The study confirmed that Silevimig provides immediate protection during the early stages of rabies virus exposure without compromising the active immune response induced by vaccination. During the Reporting Period, the Phase III clinical trial in China for Silevimig in children and adolescents aged 2 to <18 years requiring passive immunization following suspected rabies virus exposure is progressing in an orderly manner.

- ***Vecantoxatug Injection - A recombinant humanized monoclonal antibody against tetanus neurotoxin (TeNT) with an excellent safety profile, which delivers superior protection compared with human tetanus immunoglobulin (HTIG); China NDA accepted in May 2025***

Vecantoxatug Injection is intended for passive immunization against tetanus. If approved for marketing, it is expected to provide an advanced preventive and therapeutic option of passive immunization for patients following tetanus exposure. The product is a recombinant humanized monoclonal antibody, which binds to the fragment C domain of the TeNT heavy chain (TeNT-Hc). By specifically binding TeNT-Hc, it effectively blocks toxin entry into neurons, providing passive immunization. Vecantoxatug is able to provide greater protection than HTIG, while demonstrating excellent safety, tolerability, and low immunogenicity, with enhanced controllability and accessibility. As a Class 1 innovative biologic, the product is expected to address limitations associated with tetanus antitoxin, equine-derived tetanus

immunoglobulin and HTIG, including the risks of allergic reactions and potential infectious pathogen transmissions. During the Reporting Period, its Phase III clinical trial in China for passive immunization against tetanus successfully met the primary efficacy endpoint.

- ***Benzgalantamine Gluconate Enteric-coated Tablets (ZUNVEYL) – The second oral therapy approved by the U.S. Food and Drug Administration (FDA) for the treatment of Alzheimer's disease in over a decade, demonstrating a potentially better gastrointestinal safety profile; China NDA accepted in July 2025***

ZUNVEYL is indicated for the treatment of mild-to-moderate dementia of the Alzheimer's type in adults. The product is expected to improve compliance of Alzheimer's disease patients. As a new generation of acetylcholinesterase inhibitor (AChEI), ZUNVEYL can inhibit the acetylcholinesterase from breaking down the neurotransmitter acetylcholine, increase the level of acetylcholine in the central nervous system, and therefore alleviate cognition and memory impairment in Alzheimer's disease patients. As a prodrug of galantamine, ZUNVEYL remains inert as it passes through the stomach and the intestine, and eventually releases the active drug into the bloodstream after being metabolized by the liver, with the potential of reducing gastrointestinal (GI) side effects and addressing certain tolerability issues. GI adverse events documented across all studies for ZUNVEYL were less than 2% and no insomnia was observed. Meanwhile, ZUNVEYL is expected to have equivalent efficacy as galantamine. Galantamine has accumulated extensive evidence of efficacy and demonstrated long-term clinical benefit in the treatment of mild-to-moderate dementia of the Alzheimer's type since the approval of FDA in 2001.

1.3 Innovative Drugs under Clinical Development in China

- ***ABP-671 - An innovative URAT1 inhibitor, which is expected to be a first-line treatment, offering long-term administration with superior serum uric acid control and optimized gout management; China Phase IIb/III clinical trial ongoing***

As an oral small molecule Class 1 innovative drug, ABP-671 is a highly selective Urate Anion Transporter 1 ("URAT1") inhibitor. ABP-671 eliminates the production of toxic metabolites by optimizing the chemical structure. This innovative molecular design directly targets the critical safety limitations of existing gout and hyperuricemia treatments. Its safety and tolerability have been validated through over 10 clinical trials across China, the U.S., Australia, and other major markets. Unlike marketed drugs and investigational therapies, no serious adverse events (SAEs) related to the liver, kidneys, heart, or gastrointestinal system were reported. ABP-671 demonstrated exceptional safety and strong tolerability. Based on the clinical results and literature data, a daily dose of 2-4 mg of ABP-671 may offer efficacy comparable to, or even exceeding, that of the highest approved doses (80 mg) of benzbromarone or febuxostat. In addition, ABP-671 showed strong efficacy in dissolving tophi. As of the end of the Reporting Period, the China Phase IIb/III clinical trial for ABP-671 was advancing in an orderly manner.

The China Phase IIa clinical trial of the product successfully achieved its endpoints. At a dose 1 mg group of ABP-671, over 86% of the subjects with gout or hyperuricemia achieved the primary endpoint (sUA levels <6 mg/dL or 360 μmol/L). At other doses, 100% of subjects achieved the primary endpoint (sUA levels <6 mg/dL). At doses of 6 mg group and 12 mg group, 100% of subjects achieved sUA levels <5 mg/dL (300 μmol/L); and there were 57% and 100% of subjects achieved sUA levels <4 mg/dL (240 μmol/L), respectively. No significant adverse events have occurred, and ABP-671 is well tolerated.

- ***Comekibart Injection (MG-K10) - Expected to become the first long-acting (one dose every four weeks) anti-IL-4Rα monoclonal antibody approved in China, with BIC potential; China Phase III clinical trial for asthma and seasonal allergic rhinitis ongoing***

MG-K10 exerts immunomodulatory effects by simultaneously blocking the signaling of key type 2 inflammatory

cytokines IL-4 and IL-13. Its Fc mutation effectively prolongs half-life and enables a longer dosing interval, thereby improving compliance in patients with chronic diseases. Its existing clinical data demonstrate that MG-K10 has favourable efficacy and safety profile.

As of the end of the Reporting Period, MG-K10 is the only long-acting anti-IL-4Rα antibody candidate that has been validated in Phase III studies among marketed and clinical-stage anti-IL-4Rα antibodies. The asthma and seasonal allergic rhinitis indications have entered the China Phase III clinical trial stage. Additionally, the product has obtained IND approvals for eosinophilic esophagitis, chronic rhinosinusitis with nasal polyps and chronic obstructive pulmonary disease in China. *(Note: See "Section 2. Innovative Products of Dermavon - 2.2 Innovative Drugs in the NDA Review Stage in China" for more information about progress on dermatology indications)*

1.4 In-house R&D – Major Clinical-Stage Pipelines with Global Rights

- ***CMS-D002 Capsules (GnRH Receptor Antagonist) – China Phase II clinical trial ongoing***

In February 2026, a multi-center, randomized, double-blind, parallel-group, placebo-controlled Phase II clinical study to evaluate the efficacy and safety of CMS-D002 capsules at different dose levels in participants with uterine fibroids associated with heavy menstrual bleeding, is progressing smoothly. The product may be developed to treat endometriosis, uterine fibroids, prostate cancer, and other diseases in the future.

- ***CMS-D005 Injection (GLP-1R/GCGR Dual Agonist) – China Phase I clinical trial ongoing***

As of the end of the Reporting Period, a Phase I clinical trial to evaluate the safety, tolerability, pharmacokinetic and pharmacodynamic profile of the product in healthy and overweight/obese adult subjects in China, was progressing smoothly. The product may also be developed in the future to treat metabolic dysfunction-associated steatohepatitis, polycystic ovary syndrome and other metabolism-related diseases.

- ***CMS-D003 Capsules (Cardiac Myosin Inhibitor) – China Phase I clinical trial ongoing***

As of the end of the Reporting Period, a Phase I clinical trial to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of the product in healthy adults in China, was progressing smoothly. The product may be developed in the future to treat oHCM, heart failure with preserved ejection fraction and other diseases.

- ***CMS-D017 Capsules (Complement Factor B Inhibitor) – China Phase I clinical trial ongoing***

In January and February 2026, respectively, it was granted China Investigational New Drug (IND) approvals to conduct clinical trials in healthy participants in China to evaluate the safety, tolerability, pharmacokinetic, and pharmacodynamic characteristics of the product. In March 2026, a randomised, double-blind, placebo-controlled, dose-escalation Phase I clinical trial to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of single and multiple doses of CMS-D017 in healthy participants is progressing smoothly. The product may be developed in the future to treat paroxysmal nocturnal hemoglobinuria and complement-mediated kidney disease, including but not limited to IgA nephropathy, idiopathic membranous nephropathy, lupus nephritis, C3 glomerulopathy and other diseases.

- ***CMS-D008 Injection (a siRNA therapy targeting and inhibiting INHBE) – Obtained China IND Approval***

In March 2026, it was granted China IND approval to conduct clinical trials of CMS-D008 injection for overweight or obese individuals. In the future, it may be developed for the treatment of overweight/obesity, abdominal obesity, and related metabolic diseases.

1.5 Replenishment of Pipeline

- In September 2025, the Group entered into two separate exclusive Collaboration Agreement with Chongqing Genrix Biopharmaceutical Co., Ltd. ("Genrix Bio") for Class 1 therapeutic biological products, Vecantoxatug Injection and Silevimig Injection, and obtained exclusive commercialization rights for these two products in mainland China and exclusive licensing rights for the rest of the Asia-Pacific region, the Middle East and North Africa.

- In January 2025, the Group entered into a Collaboration Agreement with Hunan Mabgeek Biotech Co., LTD ("Mabgeek Biotech") and its subsidiaries for Class 1 innovative drug anti-IL-4Rα humanized monoclonal antibody injection MG-K10. In accordance with the agreement and supplementary agreements, the Group has obtained the co-development rights (excluding AD) and exclusive commercialization rights for the product in Mainland China, Hong Kong Special Administrative Region ("Hong Kong"), Macau Special Administrative Region ("Macau"), Taiwan Region and Singapore. Among them, the co-development rights (excluding AD) and exclusive commercialization rights of dermatology indications in Mainland China belong to Dermavon.

- In January 2025, the Group entered into a License, Collaboration and Distribution Agreement with Alpha Cognition Inc. of the improved new drug ZUNVEYL, and gained an exclusive right to develop, register, manufacture, import, export and commercialize the product in Asia (excluding Japan and the Middle East region) and other designated territories.

2. Innovative Products of Dermavon

2.1 Innovative Drugs Approved for Marketing in China

- ***Lumirix (ruxolitinib phosphate cream) for vitiligo - the first topical JAK inhibitor approved in China for vitiligo; Approved in China in January 2026***

The product is approved in China for the treatment of non-segmental vitiligo with facial involvement in children aged 12 years and older and adult patients. As of the end of the Reporting Period, ruxolitinib phosphate cream (Opzelura®) is the first and only drug approved by the U.S. Food and Drug Administration (FDA) and the European Medicines Agency (EMA) for repigmentation in non-segmental vitiligo.

Ruxolitinib phosphate cream has shown positive results in both overseas clinical studies and the real-world study in China: in two identical Phase III double-blind, randomized, placebo-controlled studies (TRuE-V1 and TRuE-V2) conducted overseas, the proportion of patients achieving the primary efficacy endpoint of at least 75% improvement in the Facial Vitiligo Area Score Index (F-VASI 75) after 24 weeks of treatment with ruxolitinib phosphate cream was 29.9%, significantly higher than the 7.5% and 12.9% in the placebo groups, respectively. Continued use up to 52 weeks showed sustained repigmentation. Ruxolitinib phosphate cream underwent real-world study in China, demonstrating positive efficacy consistent with the results of overseas pivotal clinical studies. All secondary efficacy endpoints in both domestic and overseas clinical studies showed a benefit trend consistent with the primary efficacy endpoint, and the treatment effect for vitiligo continued to improve with prolonged treatment. Furthermore, according to safety monitoring data from the Hainan Boao Lecheng International Medical Tourism Pilot Zone ("Lecheng Pilot Zone"), no new safety event was identified, no adverse event (AE) leading to discontinuation or withdrawal of treatment occurred, and no study drug-related serious adverse event occurred.

Prior to receiving formal NDA approval, Dermavon proactively advanced its pilot application in designated medical institutions within the Lecheng Pilot Zone, Guangdong region of the Greater Bay Area and the Beijing and Tianjin Free Trade Zones: as of the end of the Reporting Period, Boao Super Hospital has prescribed ruxolitinib phosphate cream to near 7,500 patients with non-segmental vitiligo, and approximately 25 hospitals in Guangzhou, Shenzhen, Dongguan, Foshan, Zhongshan, Zhuhai, Jiangmen, Huizhou, Beijing and Tianjin have provided prescription services for the product. Dermavon continued to deepen its multi-channel layout within and outside hospitals. Adhering to an academic-driven core strategy, Dermavon advanced products' academic development, continuously accumulating clinical value for the product while enhancing recognition in specialized fields. During the Reporting Period, the product was newly included in the "Expert consensus on the treatment of dermatoses with targeted drugs (2025 version)" and "Guideline on phototherapy for vitiligo (2025 edition)". Several results of studies have been published in top-tier dermatology journals both domestically and internationally, such as *The Journal of the American Academy of Dermatology (JAAD)*.

The Group, through its subsidiary of Dermavon entered into a Collaboration and License Agreement with Incyte for ruxolitinib phosphate cream on 2 December 2022, obtaining an exclusive license to develop, register and commercialize the product in Mainland China, Hong Kong Special Administrative Region, Macau Special Administrative Region, Taiwan Region and eleven Southeast Asian countries (the "Territory") and a non-exclusive license to manufacture the product in the Territory. The subsidiary of Dermavon has sublicensed the relevant rights for the product outside of Mainland China to the Group (excluding Dermavon and its subsidiary)

- ***ILUMETRI (Tildrakizumab Injection) - a monoclonal antibody specifically targeting to the p19 subunit of IL-23, requires only 4 administrations per year during its maintenance period, which may lead to higher patient compliance; Approved in China in 2023; Included in the Category B of NRDL***

ILUMETRI is indicated for the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy. Compared to IL-17, ILUMETRI targets the upstream IL-23, which can lead to a more comprehensive suppression of inflammatory pathway and is associated with a favorable safety profile. This specificity can translate into a better-tolerated treatment option for patients. The results from its Phase III clinical trial in China demonstrated that the primary efficacy assessment indicator PASI-75 response rate continued to increase over treatment time. The PASI-75 response rate reached a high level after 28 weeks of treatment with the product and maintained at 91.3% at week 52, while showing good long-term safety and tolerance. The results were published in the academic journal *Chinese Medical Journal.*

During the Reporting Period, Dermavon implemented medical-evidence-driven promotion, including large-scale real-world studies and the establishment of scientific research platforms. Dermavon continued to solidify its medical evidence, enhancing the brand value of the product and accelerating its penetration and volume growth in both hospitals and dual-channel pharmacies. The product was newly included in multiple domestic and international guidelines as a first-line treatment option. During the Reporting Period, the product was newly included in several guidelines such as "EuroGuiDerm Guideline for the systemic treatment of psoriasis vulgaris, 2025 updated", and "Expert consensus on the treatment of dermatoses with targeted drugs (2025 version)". Furthermore, the Chinese real-world study "Tildrakizumab in real-world Chinese psoriasis: efficacy-safety profiles from a 28-week retrospective cohort with geriatric, late-onset and metabolic syndrome stratification" was officially published by *Journal of Dermatological Treatment*.

2.2 Innovative Drugs under NDA Review in China

- ***Ruxolitinib phosphate cream for AD - The first topical JAK inhibitor approved by the U.S. FDA; China NDA Accepted in February 2026***

The proposed indication for ruxolitinib phosphate cream is for the topical short-term and non-continuous chronic treatment of mild to moderate atopic dermatitis in non-immunocompromised adult and pediatric patients 2 years of age and older whose disease is not adequately controlled with topical prescription therapies or when those therapies are not advisable. Its NDA in China has been approved for inclusion in the Priority Review List by the Center for Drug Evaluation (CDE) of the NMPA based on its qualification as a "new variety, dosage form and specification of pediatric drug that conforms to the physiological characteristics of children", which is expected to accelerate the product's review process for marketing approval in the AD indication, potentially providing AD patients with a good alternative novel treatment. Ruxolitinib phosphate cream (Opzelura®) has been approved by the U.S. FDA for the topical short-term and non-continuous chronic treatment of mild to moderate AD in non-immunocompromised patients aged 2 years and older whose disease is not well controlled with topical prescription therapies, or when those therapies are not advisable. During the Reporting Period, it has successfully met its primary endpoint in its Phase III clinical trial in China, demonstrating that a significantly higher proportion of subjects treated with ruxolitinib phosphate cream achieved IGA (Investigator's Global Assessment) of 0 or 1 with at least two grades of reduction from baseline at week 8, compared with placebo (63.0% vs 9.2%, $P < 0.001$). For the key secondary endpoint, the proportion of subjects achieving at least a 75% improvement from baseline in the Eczema Area and Severity Index score (EASI 75) of treatment with ruxolitinib phosphate cream was also significantly higher than that of the placebo group, at week 8 (78.0% vs 15.4%, $P < 0.001$). The severity of treatment-emergent adverse events (TEAE) during the treatment period was mostly mild or moderate, with no TEAEs leading to discontinuation of the study drug. Overall, ruxolitinib phosphate cream was safe and well-tolerated.

- ***Comekibart Injection(MG-K10) - expected to be China's first approved long-acting anti-IL-4Rα monoclonal antibody(one dose every four weeks) with BIC potential; China NDA for AD indication accepted in October 2025***

Comekibart Injection is intended for the treatment of adult with moderate-to-severe AD whose disease is not adequately controlled with topical prescription therapies or when those therapies are not advisable. As of the end of the Reporting Period, the product has achieved positive results in its Phase III clinical study in adults with moderate-to-severe AD, meeting the primary research endpoint as designed, and at 52 weeks of treatment with MG-K10, proportion of participants with Investigator Global Assessment (IGA) score of 0 or 1, also with an improvement of ⩾2 points from baseline is 76.6%; proportion of participants with ⩾75% reduction in Eczema Area and Severity Index (EASI 75) from baseline is 94.3%; proportion of participants with ⩾90% reduction in Eczema Area and Severity Index (EASI 90) from baseline is 79.1%. Regarding safety, most of the Treatment Emergent Adverse Event (TEAE) were Grade 1-2, with no Adverse Event of Special Interest (AESI) or fatal adverse event occurred. The incidence of common adverse reactions (conjunctivitis, injection site reactions, etc.) of drugs with the same target is relatively low for MG-K10. As of the end of the Reporting Period, the China Phase III clinical trial for prurigo nodularis indication was advancing steadily; the China Phase II clinical trial for AD in adolescents has been completed; and the IND application for a Phase III clinical trial for chronic spontaneous urticaria indication has been approved in China.

2.3 Innovative Drugs under Clinical Development in China

- ***Povorcitinib - a selective oral small-molecule JAK1 Inhibitor, with the potential to provide a new treatment option for patients suffering from relevant autoimmune and inflammatory dermatologic diseases; Phase I clinical trial for vitiligo ongoing***

In December 2025, povorcitinib has been included in the list of Breakthrough Therapeutic Drugs by CDE of NMPA, with a proposed indication for adult patients with non-segmental vitiligo. This certification has the potential to accelerate the development and review process of the Product, thereby potentially offering a differentiated treatment option for patients with non-segmental vitiligo.

During the Reporting Period, Dermavon has been steadily advancing the China Phase I clinical trial for non-segmental vitiligo and may consider further initiating clinical development of povorcitinib in China for the treatment of skin-related diseases such as prurigo nodularis in the future. As of the end of the Reporting Period, Incyte was advancing the Phase III clinical trials of povorcitinib for non-segmental vitiligo, moderate to severe hidradenitis suppurativa (HS), and PN in several countries outside China, as well as a Phase 2 clinical trial for the treatment of asthma. In the completed clinical trials, povorcitinib has shown potential for good efficacy and safety.

The Group, through a subsidiary of Dermavon entered into a Collaboration and License Agreement for povorcitinib on 31 March 2024 with Incyte, obtaining an exclusive license to research, develop, register and commercialize the product in Mainland China, Hong Kong, Macau, Taiwan Region and eleven Southeast Asian countries (the "Territory") and a non-exclusive license to manufacture the product in the Territory. The subsidiary of Dermavon has sublicensed the relevant rights of povorcitinib in the Territory other than Mainland China to the Group (excluding Dermavon and its subsidiaries).

2.4 In-house R&D – Major Clinical-Stage Pipelines with Global Rights

- ***CMS-D001 Tablets (TYK2 Inhibitor) - China Phase II/III clinical trial for Psoriasis and China Phase II for AD ongoing***

In July 2025, the NMPA granted the approval to conduct clinical trials evaluating the safety and efficacy of CMS-D001 for the treatment of AD. In March 2026, a multi-center, randomized, double-blind, placebo-controlled phase II clinical study to evaluate the efficacy and safety, of the product in adult patients with moderate-to-severe plaque psoriasis, and a multi-center, randomized, double-blind, placebo-controlled Phase II clinical study to evaluate the efficacy and safety of the product in patients with moderate-to-severe AD are both currently ongoing. The product is planned to be developed for the treatment of psoriasis and AD.

2.5 Replenishment of Pipeline

- In January 2025, the Group entered into a collaboration agreement with Mabgeek Biotech in respect of MG-K10. Dermavon obtained the co-development right (except for AD) and the exclusive commercialization right to the product in respect of dermatology indications in Mainland China. In accordance with the agreement, as supplemented, Mabgeek Biotech is responsible for progressing the clinical trial for AD; whereas both parties will be jointly responsible for progressing the clinical development for prurigo nodularis in adults and other indications in the field of dermatology.

3. Innovative Pipeline

Launched Overseas/China or Under Marketing Application Review

Product	Rights Authorized Region*	Indication	Clinical Trial Approval	Clinical Trial for Registration	Marketing Application	Marketed	Major Marketed Regions* CN	US	EU	JP
Sucroferric Oxyhydroxide Chewable Tablets		For the control of sP levels in adults with CKD on hemodialysis or peritoneal dialysis, and for the control of sP levels in paediatric patients 9 years of age and older with CKD stages 4-5 or CKD on dialysis					2023.2	✓	✓**	✓
Tildrakizumab Injection		For the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy					2023.5	✓	✓	✓
Methotrexate Injection		Severe recalcitrant disabling psoriasis, which is not adequately responsive to other forms of therapy such as phototherapy, PUVA, and retinoids					2023.3		✓	
		Active rheumatoid arthritis in adult patients					2024.7		✓	✓
Diazepam Nasal Spray		For the acute treatment of intermittent, stereotypic episodes of frequent seizure activity (i.e. seizure clusters, acute repetitive seizures) that are distinct from a patient's usual seizure pattern in patients with epilepsy 6 years of age and older					2023.6	✓		
		For the acute treatment of intermittent, stereotypic episodes of frequent seizure activity (i.e. seizure clusters, acute repetitive seizures) that are distinct from a patient's usual seizure pattern in patients with epilepsy 2-5 years of age						✓		
Methylthioninium Chloride Enteric-coated Sustained-release Tablets		A diagnostic agent to enhance visualisation of colorectal lesions in adult patients undergoing screening or surveillance colonoscopy					2024.6		✓	
Ruxolitinib phosphate cream		For the treatment of non-segmental vitiligo with facial involvement in children aged 12 years and older and adult patients					2026.1	✓	✓	
		For the topical short-term and non-continuous chronic treatment of mild to moderate atopic dermatitis in non-immunocompromised adult and pediatric patients 2 years of age and older whose disease is not adequately controlled with topical prescription therapies or when those therapies are not advisable						✓		
Desidustat Tablets		For treating anaemia in non-dialysis adult, Chronic Kidney Disease (CKD) patients					2026.3			
Loberamisal for Injection (Y-3 for Injection)		Used for the treatment of acute ischemic stroke								
Silevimig Injection		Passive immunization following suspected rabies virus exposure in adults								
		Passive immunization following suspected rabies virus exposure in children and adolescents aged 2 to <18 years								
Vecantoxatug Injection		Passive immunization against tetanus								
Comekibart Injection (MG-K10)		For the treatment of adult with moderate-to-severe AD whose disease is not adequately controlled with topical prescription therapies or when those therapies are not advisable								
Benzgalantamine Gluconate Enteric-coated Tablets (ZUNVEYL)	***	For treating mild to moderate dementia of the Alzheimer's type in adults						✓		
Cyclosporine Eye Drops 0.09%		Increasing tear secretion in patients with keratoconjunctivitis sicca (dry eye)						✓	✓	
Latanoprost Eye Drops		Reduction of elevated intraocular pressure in patients with open-angle glaucoma or ocular hypertension						✓		
Levetiracetam XR Tablet		Adjunctive therapy for the treatment of partial-onset seizures						✓		

Marketed in China | Under R&D in China | Overseas | Designated Asian Regions | Mainland China, Hong Kong, Macau and Taiwan | Designated Regions in Asia-Pacific, the Middle East and North Africa

* Major Marketed Regions indicate where products are approved. CMS's rights are stated by Rights Authorized Region. CMS has NO development, commercialization or other product rights in unauthorized regions.

** Sucroferric Oxyhydroxide Chewable Tablets have been approved in Europe for the treatment of patients aged 2 years and older.

*** The rights authorized region of ZUNVEYL includes Asia (excluding Japan and the Middle East region) and other designated territories.

Please refer to local prescribing information for more information, including full safety information, on CMS' s marketed medicines, or on medicines marketed by CMS' s collaboration partners.

Under R&D Stages

Product	Rights Authorized Region*	Indication	Pre-clinical	Clinical Trial Approval	Phase I	Phase II	Phase III	Marketing Application*
CF101		Psoriasis						
SDN-037		Eye pain and inflammation after cataract surgery						
PDP-716		Reduction of elevated intraocular pressure in patients with open-angle glaucoma or ocular hypertension						
ABP-671	**	Gout and hyperuricemia						
Comekibart Injection (MG-K10)		Asthma, Prurigo nodularis, Seasonal allergic rhinitis						
		AD in adolescents						
		Eosinophilic esophagitis, Chronic rhinosinusitis with nasal polyps, Chronic spontaneous urticaria, Chronic obstructive pulmonary disease						
povorcitinib		Non-segmental vitiligo						
		Prurigo nodularis, Hidradenitis suppurativa						
CF102		Hepatocellular carcinoma						
		Non-alcoholic fatty liver disease / non-alcoholic steatohepatitis						
XF-73		Prevention of post-surgical staphylococcal infections						
VEGFA/ANG2 Tetravalent Bispecific Antibody		Intended for ocular fundus neovascular diseases						
TYK2 Inhibitor (CMS-D001)		Intended for psoriasis						
		Intended for atopic dermatitis						
GnRH Receptor Antagonist (CMS-D002)		Intended for uterine fibroids						
GLP-1R/GCGR Dual Agonist (CMS-D005)		Intended for obesity/overweight						
Cardiac Myosin Inhibitor (CMS-D003)		Intended for hypertrophic cardiomyopathy						
*** Complement Factor B Inhibitor (CMS-D017)		Intended for complement – mediated kidney disease (CMKD)						
		Intended for paroxysmal nocturnal hemoglobinuria						
# A siRNA therapy targeting and inhibiting INHBE (CMS-D008)		Intended for overweight/obesity						
>20 Self-developed Innovative Drugs								

China Overseas Global Designated Asian Regions Mainland China, Hong Kong, Macau and Taiwan

* CMS's rights are stated by Rights Authorized Region. CMS has NO development, commercialization or other product rights in unauthorized regions.

** Taiwan Region is not included in the rights authorized region.

*** The IND applications of CMS-D017 for paroxysmal nocturnal hemoglobinuria and CMKD were approved in China in January and February 2026, respectively.

The IND application of CMS-D008 for overweight/obesity indication was approved in China in March 2026

Please refer to local prescribing information for more information, including full safety information, on CMS's marketed medicines, or on medicines marketed by CMS's collaboration partner

II. Commercialization System

The Group is focused on specialty therapeutic fields. By establishing a modern commercialization system driven by the dual engines of "professional clinical value" and "consumer healthcare demand", we have constructed an omni-channel marketing network that integrates online and offline platforms while fostering synergy between in-hospital and out-of-hospital channels, thereby enhancing medication accessibility and strengthening our full-spectrum commercialization competitiveness.

We continue to deepen our medicine-driven academic promotion framework, aiming to address unmet clinical needs through differentiated academic advantages. Through post-marketing clinical studies, real-world studies, academic platforms development, and pharmacoeconomic evaluations, we have formed an academic empowerment pathway anchored in evidence-based medicine. This approach reinforces our academic authority in specialty fields and unlocks the academic value of our innovative products and key exclusive/branded portfolio.

Meanwhile, the Group is actively extending its commercialization footprint from in-hospital to out-of-hospital settings, from offline to online channels, and from prescription-focused medicine to consumer healthcare, to build an "omni-channel system" in response to the increasing sophisticated health and wellness needs of patients. By connecting end-point retail pharmacies, DTP pharmacies, leading e-commerce platforms and O2O (online-to-offline) new retail platforms, the Group is creating coordinated, multi-tier payment scenarios across channels and, supported by brand-driven initiatives and digital engagement, is driving integrated in- and out-of-hospital growth to build a high-quality, sustainable, and multi-engine growth model.

As of the end of the Reporting Period, the Group had approximately 5,000 marketing and promotion related employees. Our promotion network covered over 55,000 hospitals and healthcare institutions, approximately 320,000 retail pharmacies, and 7 major e-commerce and O2O (Online-to-Offline) platforms in China.

1. Major Marketed Products

The Group's major marketed products have covered the cardio-cerebrovascular, gastroenterology, skin health, ophthalmology and other related areas. A summary of the information of major products as of the end of the Reporting Period is as follows:

Product line	Product	Indication/Use	Product Advantage
Cardio-cerebrovascular Related Field	VELPHORO (Sucroferric Oxyhydroxide Chewable Tablets) (innovative drug)	For the control of sP levels in adults with CKD on hemodialysis or peritoneal dialysis, and for the control of sP levels in paediatric patients 9 years of age and older with CKD stages 4-5 or CKD on dialysis	China's first iron-based, non-calcium phosphate binder, providing efficient phosphorus reduction with lower tablet burden, and improving patients' nutritional status
	VALTOCO (Diazepam Nasal Spray) (innovative drug)	For the acute treatment of intermittent, stereotypic episodes of frequent seizure	China's first Diazepam Nasal Spray, which can be administered anytime and anywhere, and meets clinical needs for accessible and convenient treatment option for seizure clusters of patients

		activity (i.e. seizure clusters, acute repetitive seizures) that are distinct from a patient's usual seizure pattern in patients with epilepsy 6 years of age and older	with epilepsy
	XinHuoSu (Recombinant Human Brain Natriuretic Peptide for Injection)	Acute decompensated heart failure	The first Recombinant Human Brain Natriuretic Peptide (rhBNP) medicine approved by the China NMPA
	Deanxit (Flupentixol and Melitracen Tablets)	Mild-to-moderate depression, anxiety and psychosomatic affections	Original reference preparation, the preferred medicine for mild to moderate anxiety and depression
	Plendil (Felodipine Sustained Release Tablets)	Hypertension and stable angina pectoris	Original reference preparation, the Calcium Channel Blocker (CCB) medicine suitable for Chinese patients, providing cardio-cerebrovascular protection and high vascular selectivity
Gastroenterology/ Autoimmune Related Field	Metoject (Methotrexate Injection) (innovative drug)	For the treatment of severe recalcitrant disabling psoriasis, which is not adequately responsive to other forms of therapy such as phototherapy, PUVA, and retinoids; Active rheumatoid arthritis in adult patients	China's first pre-filled MTX Injection for subcutaneous administration for the treatment of RA and psoriasis
	Bioflor (Saccharomyces Boulardii Sachets) (exclusive product)	Diarrhea in adults and children, as well as diarrhea symptoms induced by intestinal flora disturbance	A distinctive fungal probiotics preparation in China, which has a unique strain designation (difficult to imitate), can be co-administered with antibiotics, is not inactivated by gastric acid, and received high-level recommendations from authoritative domestic and overseas guidelines
	Combizym (Oryz-aspergillus Enzyme and Pancreatin Tablets) (exclusive product)	Dyspepsia caused by a decrease in digestive enzymes	Broad enzyme profile, sufficient enzyme content and high enzymatic activity. Formulated with oryz-aspergillus enzyme extract (exclusive ingredient) and adequate pancreatin, effective in both stomach and intestines, the recommended digestive enzyme preparation for the replacement therapy of pancreatic exocrine insufficiency
	Cidine (Cinitapride Hydrogen	Improving the symptoms of early	A dual targets prokinetic agent delivering pan-gastrointestinal motility, dual-

	Tartrate Tablets) (exclusive product)	satiety, postprandial fullness discomfort, and abdominal distension in mild to moderate functional dyspepsia	pathway metabolism without QTc prolongation, offering a treatment option with favorable efficacy and safety profile
	MeteoSpasmyl (Compound Alverine Citrate Soft Capsules) (exclusive product)	Used in adults to treat symptoms such as flatulence (bloating) and abdominal pain	As of the end of the Reporting Period, the only combination antispasmodic in China that can concurrently relieve both abdominal pain and bloating, with a complex formulation that is difficult to replicate
	Ursofalk (Ursodeoxycholic Acid)	Cholesterol gallstones in the gallbladder, cholestatic liver disease and biliary reflux gastritis; cystic fibrosis – related liver disease in patients aged 1 month to 18 years (oral suspension only)	Original reference preparation, the preferred first-line medicine for cholestatic liver disease, available in two formulations (capsules and oral suspension), enabling broader patient applicability; ranking the first by China's market share of choleretic drugs according to IQVIA moving annual total data as of 3Q 2025
	Salofalk (Mesalazine)	Ulcerative colitis, including the treatment of acute exacerbations and the maintenance treatment to prevent recurrence, as well as the treatment of acute exacerbations of Crohn's disease	Original reference preparation, ranking the first by China's market share of aminosalicylic acid, a first-line treatment for inflammatory bowel disease in China according to IQVIA moving annual total data as of 3Q 2025
Skin Health Field (Dermavon)	Lumirix (Ruxolitinib phosphate cream) (innovative drug)	For the topical treatment of nonsegmental vitiligo in adult and pediatric patients 12 years of age and older	The first topical JAK inhibitor approved in China for vitiligo
	ILUMETRI (Tildrakizumab Injection) (innovative drug)	For the treatment of adults with moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy	A monoclonal antibody specifically targeting to the p19 subunit of IL-23, requires only 4 administrations per year during its maintenance period for the treatment of psoriasis, which may lead to higher patient compliance
	Hirudoid (Mucopolysaccharide Polysulfate Cream)	Blunt traumata with and without hematomas, and	Repair agent for skin barrier with multiple functions

	(exclusive product)	superficial phlebitis that cannot be treated by compression	
	Aethoxysklerol (Polidocanol Injection)	Different specifications for sclerotherapy of different varicose veins, including spider veins, central veins of spider veins, and medium to large varicose veins	Original reference preparation, a German original brand for the treatment of sclerotherapy of varicose veins with years of clinical application
	Hirudoid® Azelaic Acid Skincare Series (including 5 products)	Acne-prone skin care, prevention, and improvement of acne	Extension of the Hirudoid brand, to create a professional acne-care portfolio
	Heling Soothing Product Series (including 4 products)	Skin soothing with a combination of cleansing and moisturizing which is suitable for sensitive skin	Composed of four core ingredients that can moisturize and soothe the skin, helping to repair the skin barrier
Ophthalmology Field	Augentropfen Stulln Mono Eye Drops (Esculin and Digitalisglycosides Eye Drops) (exclusive product)	Senile macular degeneration and all forms of asthenopia	Featuring naturally extracted ingredients and a preservative-free formulation with a unique dual-mechanism: Digitalis Glycosides to improve ciliary muscle function and Esculin to protect the retina and nerves. It's the representative medicine for the treatment of asthenopia and is positioned for all types of asthenopiae as well as fundus macular degeneration
	EyeOP1 Glaucoma Treatment Device (exclusive product)	Glaucoma with intraocular pressure that cannot be controlled by drugs and surgery	Using high-focused ultrasound technology, which is a non-invasive procedure with precise targeting and convenient operations, providing a safe and effective innovative treatment for glaucoma
	BEOVU Brolucizumab Injection (innovative drug)	Diabetic macular edema	A next-generation anti-vascular endothelial growth factor (VEGF) drug with the smallest molecular weight (only 26 kDa) as of the end of the Reporting Period, delivering treatment advances versus prior-generation agents, including potent fluid control and the potential to extend dosing intervals
	LUCENTIS (Ranibizumab Injection)	Neovascular age-related macular degeneration, diabetic macular edema, macular edema following retinal vein occlusion, choroidal neovascularization, diabetic retinopathy,	The first anti-VEGF drug approved for ophthalmic use in China, also the anti-VEGF drug in China that covers the widest age range and has the most indications as of the end of the Reporting Period.

		and retinopathy of prematurity	
Other Major Products	Elcitonin (Elcatonin Injection)	Osteoporosis pain	As of the end of the Reporting Period, it is the only calcitonin-class therapy in China approved for the indication of osteoporotic bone pain. It features a well-established central analgesic mechanism, rapid onset, and a favorable safety profile, and is recommended by authoritative domestic and overseas guidelines

During the Reporting Period, the revenue of major products by product line was as follows:

- The products under cardio-cerebrovascular related field recorded a revenue of RMB2,987.9 million, an increase of 2.4% compared with the same period last year. In the case that all medicines were directly sold by the Group, the revenue of products under cardio-cerebrovascular related field line would increase by 2.3% to RMB4,180.7 million compared with the same period last year, accounting for 44.5% of the Group's revenue in the case that all medicines were directly sold by the Group.

- The revenue of products under gastroenterology/autoimmune related field increased by 3.3% to RMB2,969.0 million compared with the same period last year, accounting for 31.6% of the Group's revenue in the case that all medicines were directly sold by the Group.

- The revenue of the products under skin health field (Dermavon) increased by 73.2% to RMB1,069.8 million compared with the same period last year, accounting for 11.4% of the Group's revenue in the case that all medicines were directly sold by the Group.

- The revenue of the products under ophthalmology field increased by 12.9% to RMB708.2 million compared with the same period last year, accounting for 7.6% of the Group's revenue in the case that all medicines were directly sold by the Group.

- Other products recorded a revenue of RMB477.1 million, an increase of 10.5% compared with the same period last year. In case that all medicines were directly sold by the Group, the revenue would increase by 10.3% to RMB457.9 million compared with the same period last year, accounting for 4.9% of the Group's revenue in the case that all medicines were directly sold by the Group.

III. Skin Health Business ("Dermavon", Proposed to Be Spun off and Separately Listed on the SEHK)

"Dermavon" is a leading pharmaceutical company in China specialized in innovative skin health products. It has unified operations combining R&D, production, and sales of dermatological prescription products and dermatology-grade skincare products, and is committed to providing comprehensive skin health solutions, from prevention to treatment and long-term care. Leveraging its efficient R&D system and industry-leading commercialization capabilities, Dermavon has achieved dual leadership in both the "coverage of dermatology

indications" and the "revenue scale of dermatological prescription drugs", while having developed a comprehensive and differentiated product portfolio. It is committed to creating the Chinese standards for skin health and leading the continuous innovation of treatment and care to address skin disease patients' unmet needs. Dermavon has grown into a leading company in China's skin health sector.

During the Reporting Period, the Group proposed to spin-off and separately list Dermavon on the Main Board of the SEHK by way of introduction and distribution in specie, aiming to fully unlock the high-growth potential and standalone value of its skin health business.

As of the end of the Reporting Period, Dermavon had more than 800 employees.

1. Comprehensive and Differentiated Product Portfolio, Covering the Entire Lifecycle Management of Skin Diseases

Focusing major skin diseases with significant unmet clinical needs, Dermavon has deployed and developed dermatological prescription products with different mechanisms of action and modalities. Using this as a foundation, it has created a vertically integrated and highly differentiated portfolio of dermatological prescription products and dermatology-grade skincare products, which has formed a comprehensive "treatment + care" solution, leveraging deep synergy between products to meet the diverse clinical needs of patients in the entire disease course.

Since the beginning of 2025, Dermavon had four marketed products, two products at the NDA review stage, three pipeline products in clinical stages, and multiple preclinical product candidates, forming a tiered product layout that covers major skin disease treatment areas. Additionally, Dermavon has two marketed dermatology-grade skincare product series, including the Heling Soothing Product Series and the Hirudoid® Azelaic Acid Skincare Series.

	Treatment			**Skincare**
	Topical Agents	**Oral Tablets**	**Injections**	**Dermatology-Grade Skincare Products**
Psoriasis		CMS-D001 *(China Phase II)*	ILUMETRI	
AD	ruxolitinib phosphate cream *(China NDA Under Review)*	CMS-D001 *(China Phase II)*	MG-K10 *(China NDA Under Review)*	Heling Soothing Product Series
Vitiligo	ruxolitinib phosphate cream	povorcitinib *(China Phase I)*		
Superficial phlebitis, Blunt traumata	Hirudoid			
Varicose veins			Aethoxysklerol	
Prurigo nodularis		povorcitinib *(Overseas Phase III)*	MG-K10 *(China Phase III)*	
Hidradenitis suppurativa		povorcitinib *(Overseas Phase III)*		
Chronic spontaneous			MG-K10 *(Obtained IND*	

urticaria			*Approval for China Phase III)*	
Acne vulgaris				Hirudoid® Azelaic Acid Skincare Series

Marketed
Under R&D

2. Diverse and Efficient R&D Engine, Empowering Differentiated Innovation

Dermavon has constructed an R&D model driven by dual tracks of collaborative R&D and in-house R&D.

Based on its profound insight of the correlation and differentiation between the mechanisms of action of different drug targets, Dermavon efficiently identifies potential FIC and BIC products at different development stages. Furthermore, benefiting from its long-term dedicated efforts in dermatology field, Dermavon has accumulated extensive clinical institution and expert resources, and has fostered robust clinical development and registration capabilities, paving an efficient clinical development path for the innovative skin health pipeline.

Dermavon has effective collaborative R&D capabilities and maintains a global perspective in evaluating innovative biotechnology, driving the deployment of global frontier technologies through strategic foresight. During the Reporting Period, Dermavon entered into a collaboration with Mabgeek Biotech to jointly advance the clinical development of the long-acting anti-IL-4Rα monoclonal antibody Comekibart Injection for dermatology indications in China (excluding AD). Mabgeek has submitted the NDA for the AD indication in China, which has been accepted. The China Phase II clinical trial for the adolescent AD indication has also been completed, while both parties are jointly promoting the Phase III clinical trial for the prurigo nodularis indication in China. Furthermore, povorcitinib has progressed into Phase I clinical trial stage in China, intending to develop indications such as vitiligo in China.

Dermavon possesses well-integrated in-house R&D capabilities. As of March 16 2026, its self-developed innovative drug highly selective TYK2 inhibitor CMS-D001 Tablets, is undergoing China Phase II clinical trials in China for psoriasis and AD, respectively. Additionally, approximately 5 self-developed pipeline products are in the preclinical stage.

3. Industry-leading Commercialization Capabilities, Driving Deep Omni-channel Penetration and Value Realization

Dermavon adheres to a patient-centered and market-oriented philosophy, cultivating a strong academic promotion team in dermatology, which maintains an industry-leading position in China in terms of both commercial team scale and the coverage of dermatology departments in hospitals. Dedicated to academic-driven commercialization, Dermavon continuously strengthens professional recognition of its products to enhance brand influence by establishing academic platforms and participating in multi-level medical conferences. Meanwhile, Dermavon actively advances post-marketing clinical research and real-world studies to accumulate medical evidence, facilitating the inclusion of its products into clinical guidelines and expert consensuses while providing a solid scientific basis for exploring broader clinical application potential and dosage regimens.

Dermavon also keenly captures the distinct consumer attributes of dermatology products. It promotes a synergistic omni-channel operating system, expanding coverage across diverse out-of-hospital channels including offline

pharmacies, e-commerce and O2O platforms, to build a comprehensive and multi-level sales network. Furthermore, for its dermatology-grade skincare products, Dermavon continuously strengthens new media operational capabilities to enhance consumer brand awareness, precisely reaching and converting potential demand.

IV. Ophthalmology Business("CMS Vision")

"CMS Vision" is focused on the ophthalmology specialty field, with multi-dimensional expansion into otolaryngology (ear, nose, and throat, "ENT"). Driven by a dual-engine model of "innovative pharmaceutical expertise" and "consumer healthcare market penetration", CMS Vision sources and develops globally innovative products that address urgent clinical needs, and is building a medical-grade eye health ecosystem spanning fundus diseases, eye fatigue, glaucoma, and rhinitis. CMS Vision is committed to becoming a "leading ophthalmology pharmaceutical company in China", benefiting patients with more precise and diversified innovative treatment options, and advancing the high-quality and sustainable development of the eye healthcare industry.

During the Reporting Period, CMS Vision advanced a coordinated growth model integrating "Full Product Lifecycle Management, Full-course Disease Management, and Omni-channel Marketing." This model supported systematic academic promotion and brand building for marketed products, while continuously enriching the product portfolio. In October 2025, CMS Vision entered into an agreement with Novartis Pharma Services AG, introducing two marketed ophthalmic anti-VEGF drugs in China, Ranibizumab Injection ("Lucentis") and Brolucizumab Injection ("Beovu"), establishing a core product matrix in the fundus disease segment with great potential. These two products are expected to generate strong synergies with CMS Vision's existing customer base, expert resources, and channel networks, laying a solid foundation for CMS Vision's future collaborations and the development of additional innovative ophthalmic products. In January 2025, CMS Vision obtained the rights of an innovative drug anti-IL-4Rα humanized monoclonal antibody Injection Comekibart Injection (MG-K10), further enriching its innovation pipeline and extending its therapeutic footprint from ophthalmology into ENT.

In addition, in July 2025, CMS Vision entered into a collaboration with Jingze Pharma, an innovation-driven biopharmaceutical company, for a late-stage clinical asset for neovascular retinal diseases with high technical barrier and strong commercial potential, to accelerate the realization of its innovation value.

As of the end of the Reporting Period, CMS Vision had more than 500 employees.

1. Major Marketed Products

Exclusive Drug Augentropfen Stulln Mono Eye Drops is the representative for the treatment of asthenopia. It features naturally extracted ingredients and a preservative-free formulation with a unique dual-mechanism: Digitalis Glycosides to improve ciliary muscle function and Esculin to protect the retina and nerves. Indicated for all types of asthenopia and senile macular degeneration indications, Stulln has established a robust brand moat in the market. Its active ingredient, Esculin and Digitalis Glycosides, has been included in several authoritative guidelines. Leveraging the product's distinctive advantages and medical evidence, CMS Vision conducted in-depth academic engagement within ophthalmology sub-specialties while continuously expanding its market share through refined development of private hospital channels.

Innovative Medical Device EyeOP1 Glaucoma Treatment Device applies high-focused ultrasound technology.

Featuring a non-invasive procedure with precise targeting and convenient operations, it provides glaucoma patients with a safe and effective innovative treatment solution. During the Reporting Period, EyeOP1 was included as a recommended therapy in "the Expert Consensus on the Diagnosis and Treatment of Primary Angle-Closure Glaucoma in China (2025)". Through real-world studies and national academic platform conferences, CMS Vision has been constructing a high-level clinical evidence system to drive the evolution of diagnostic and treatment philosophies, as well as the awareness and adoption of the innovative Ultrasonic Cyclo Plasticity (UCP).

Lucentis (Included in the Category B of NRDL) is the first anti-VEGF drug approved for ophthalmic use in China. As of the end of the Reporting Period, it is also currently the anti-VEGF drug in China that covers the widest age range and has the most indications. Its launch represents a major advancement in clinical ophthalmic treatment. The product is approved for the treatment of multiple ocular neovascular diseases including age-related macular degeneration (nAMD), diabetic macular edema (DME), macular edema following retinal vein occlusion (RVO), choroidal neovascularization (CNV), etc. It has accumulated mature clinical application experience, with its efficacy and safety verified by more than 200 clinical studies. Leveraging the product's robust medical evidence and extensive clinical application experience, CMS Vision utilizes high-level academic activities as a pivot to systematically build an expert consensus network, boosting the clinical recognition and market penetration.

Innovative drug Beovu (Approved for the treatment of DME in China in May 2025; Included in the Category B of NRDL) is a next-generation anti-VEGF drug with the smallest molecular weight (only 26 kDa) as of the end of the Reporting Period. Leveraging its innovative advantages of ultra-small molecular weight and high concentration, Beovu significantly improves retinal anatomical structure, helps more DME patients gain visual improvement, and alleviates the treatment economic burden through extended dosing intervals. In the global Phase 3 KESTREL and KITE Studies for treatment-naive DME patients, the product met all primary efficacy endpoints and the visual benefit persisted until Week 100, while showing superiority in fluid resolution. Data from the Chinese real-world study (BEST Study) showed that for previously treated and inadequately controlled DME patients, best-corrected visual acuity (BCVA) improved by 6.1 letters from baseline 1 week after the first injection of Beovu, and by 10 letters after the third injection (Week 12). The product provides a more optimized treatment option for previously treated DME patients. During the Reporting Period, Beovu was included in "Diabetic Retinopathy Preferred Practice Pattern®", and its key clinical results have been published in multiple academic journals. CMS Vision disseminates the differentiated advantages of the product through constructing platforms to enhance academic and clinical recognition, promoting the accessibility to more target patients. As of the end of the Reporting Period, its China NDA for the treatment of proliferative diabetic retinopathy (PDR) is under review.

2. Major Pipeline Products

Comekibart Injection (China Phase III clinical trial for seasonal allergic rhinitis ongoing) is a long-acting (one dose every four weeks) humanized anti-IL-4Rα monoclonal antibody. Its Phase III clinical trial in China adopts a multi-center, randomized, double-blind, and placebo-controlled design, aiming to evaluate the efficacy, safety, pharmacokinetic, pharmacodynamic, and immunogenicity of the product in patients with seasonal allergic rhinitis.

V. International Business

Since the launch of the "Industrial Internationalization" strategy in 2022, CMS has established Singapore as the regional hub for its Asia-Pacific emerging markets business, building an end-to-end pharmaceutical ecosystem

spanning R&D ("CMS R&D"), manufacturing ("PharmaGend"), and commercialization ("Rxilient"). The Group accurately captures the structural opportunities driven by demographic tailwinds and rising healthcare demands across Asia-Pacific and Middle East. Through the highly efficient synergy across the entire "R&D, Manufacturing, and Commercialization" value chain, the Group extends its core capabilities across borders, driving an effective alignment between its differentiated product portfolio and emerging market demands, and generating scalable ecosystem value.

2025 marks a pivotal year in which our Industrial Internationalization strategy moves from system build-out to scaled execution. During the Reporting Period, the Group successfully completed a secondary listing on the SGX-ST by way of introduction, optimizing its shareholder base while enhancing visibility and engagement with international investors. In parallel, certain products initiated commercialization activities during the Reporting Period. Building on this progress, the Group will continue to deepen market expansion in developing countries and regions, improve the regional access to high-quality medicines, and steadily build a sustainable multi-geography growth pattern.

1. Internationalization of Commercialization System: a "Glocal" Strategy Unlocking Innovative Value

Rxilient is a next-generation pharma company focused on emerging markets, executing a "global+local (glocal)" strategy to accelerate value realization of pharmaceutical innovation. With end-to-end commercialization capabilities spanning product introduction, development & registration, and marketing & promotion, Rxilient introduces global innovative therapies to emerging markets and expands patient access. Operated by a seasoned local team, Rxilient is headquartered in Singapore and has established subsidiaries and/or offices in Hong Kong, Taiwan Region, Malaysia, Vietnam, the Philippines, Indonesia, Thailand, and the United Arab Emirates.

As of the end of the Reporting Period, Rxilient has cumulatively submitted nearly 20 registration applications for pharmaceutical products and medical devices across the Asia-Pacific and Middle East regions, building a robust and sustained product launch pipeline. The registration and marketing progress of key products is as follows:

Product	**Approved Regions**	**Registration Applications Filed**
Ruxolitinib phosphate cream ("Lumirix") *Innovative drug for vitiligo*	Hong Kong, Macau	Taiwan Region, Singapore
Sucroferric Oxyhydroxide Chewable Tablets ("VELPHORO") *Innovative drug for hyperphosphatemia*	Hong Kong*, Macau	Taiwan Region
Tildrakizumab Injection ("ILUMETRI") *Innovative drug for psoriasis*	Hong Kong	Taiwan Region
Benzgalantamine Gluconate Enteric-coated Tablets ("ZUNVEYL") *New drug for Alzheimer's disease*	/	Macau, Taiwan Region, Malaysia, Indonesia, Philippines, Thailand, Vietnam
Diazepam Nasal Spray ("VALTOCO") *Innovative drug for seizure clusters*	Singapore *(Approved in January*	Hong Kong, Taiwan Region

	2026)	

* VELPHORO has been included in the "Special Drug" category of the Hospital Authority Drug Formulary

As a bridge connecting global innovation and the market access, Rxilient has become a highly attractive global partner for innovation collaboration, underpinned by its strong capabilities in product registration and commercialization. During the Reporting Period, it successfully obtained exclusive product rights to approximately 20 products across multiple relevant emerging markets in Southeast Asia, the Middle East, and North Africa, and for the first time expanded its licensing footprint to Latin America as well as Australia and New Zealand. The newly introduced products include several innovative products such as Loberamisal for Injection, Silevimig Injection, Vecantoxatug Injection, Comekibart Injection, and Benzgalantamine Gluconate Enteric-coated Tablets, further strengthening Rxilient's presence across specialty therapeutic fields such as central nervous system, dermatology, ophthalmology, and autoimmune disease. The continuous collaboration and introduction of products not only broadened Rxilient's portfolio but also underscored its strong appeal as an international innovation partner and its ability to integrate high-quality global resources.

2. Internationalization of Manufacturing

The Group's associate company, PharmaGend, is a Singapore-based, international one-stop CDMO platform. The Group, through multiple subsidiaries, holds a 41.98% equity interest in PharmaGend. As of the end of the Reporting Period, PharmaGend owns a 30,000-square-meter production site, with an annual capacity of oral solid dosage (OSD) units of up to 1.5 billion tablets. It has obtained a Manufacturer's Licence issued by the Health Sciences Authority (HSA) of Singapore, and supported by multiple international certifications, including HSA GMP (Good Manufacturing Practice), U.S. FDA cGMP (Current Good Manufacturing Practice), and Swiss QP (Qualified Person) audits, PharmaGend is well-positioned to deliver high-standard pharmaceutical manufacturing for global supply. Meanwhile, capacity expansion projects (including new production lines for nasal sprays, creams, and injectables, as well as a packaging center) are progressing smoothly.

Subsequent Events

Approval of Drug Clinical Trials for Complement - mediated Kidney Disease Indication of Innovative Drug Complement Factor B Inhibitor CMS-D017

On 3 February 2026, the NMPA has approved the Group to conduct clinical trials in healthy participants in China to evaluate the safety, tolerability, pharmacokinetic, and pharmacodynamic characteristics of CMS-D017 in China.

Signing an Exclusive Distribution Agreement for the Original Drug Lidoderm® Lidocaine Cataplasms

After the Reporting Period, on 12 February 2026, the Group through subsidiaries of the Company entered into an exclusive distribution agreement with Teikoku Pharma USA, Inc. ("TPU", a subsidiary of Japan-based Teikoku Seiyaku Co., Ltd ("TSC")) for Lidoderm® Lidocaine Cataplasms. In accordance with the Agreement, the Group has obtained exclusive distribution rights for Lidoderm® Lidocaine Cataplasms within the People's Republic of China (for the purpose of this Agreement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region, and the Taiwan region). The Cooperation Partner shall be responsible for the production and supply matters related to Lidoderm® Lidocaine Cataplasms. The initial term of this Agreement is ten years after the date of Lidoderm® Lidocaine Cataplasms's first commercial sale within the Target Region stipulated in this agreement, and shall be renewable thereafter according to the terms stipulated in this Agreement.

Lidocaine blocks voltage-gated sodium channels, reducing ectopic impulses in primary afferent nerves after injury, thereby alleviating pain in patients with postherpetic neuralgia (PHN). According to relevant studies, lidocaine patches act rapidly (within ⩽4 hours), and in clinical studies lasting 4 to 12 weeks, approximately 1/4 to 1/3 of patients experienced a ⩾50%reduction in pain. In 1999, the U.S. Food and Drug Administration (FDA) approved lidocaine patch 5% (trade name Lidoderm®) for the treatment of PHN. The product was approved for marketing in Europe under the trade name Versatis® in 2007, and was approved for marketing in China in 2024. The use of topical lidocaine cataplasms/patches for PHN treatment has been supported by consensus in clinical practice guidelines both in China and abroad. Based on its efficacy and safety in treating PHN, topical lidocaine cataplasms/patches are also recommended by relevant guidelines for treatment of other peripheral neuropathic pain conditions, such as diabetic peripheral neuropathic pain (DPNP), and postoperative or post-traumatic neuropathic pain.

Approval of Drug Clinical Trials for Overweight/Obesity Indication of Self-Developed Innovative Drug INHBE-Targeting Small Nucleic Acid Drug CMS-D008

On 4 March 2026, the NMPA has approved the Group to conduct clinical trials of CMS-D008 injection for overweight or obese individuals in China.

Future Development

CMS will take “high-quality and sustainable development” as its core, and remain committed to a dual-engine drive of “product competitiveness” and “commercialization.” By expanding globally to build multiple growth poles, and leveraging the ecosystem synergies created through strategic investments, the Group is building a new development landscape that is clearly tiered, highly resilient, and endowed with sustained momentum. At the same time, the Group will position AI-enabled digital intelligence as a foundational capability, deeply empowering decision-making pathways and operating efficiency across the entire value chain, providing robust system-level support for its continued growth.

1. Dual-engine drive: Product Innovation + Commercial Model Reform

Our development is anchored in sustained product innovation. Advancing in parallel through “Collaborative Development + In-house R&D,” we focus on unmet clinical needs and continue to evolve our pipeline toward higher clinical value and stronger differentiation. We use collaborative development to sustain the vitality of our short-term and mid-term pipeline, while in-house R&D anchors long-term value creation — building a tiered product portfolio that spans different stages of development. Through clearly structured, differentiated innovation, CMS is positioned to navigate industry cycles and achieve value reshaping.

Our commercialization capabilities are the engine for realizing product value and driving sustainable growth. We have built strong positions in our core specialty therapeutic fields: Cardiovascular-Kidney-Metabolic diseases, central nervous system (CNS) and gastroenterology, while fully empowering the independent development of our specialty businesses such as “skin health” and “ophthalmology,” with the goal of building leading players in our specialty therapeutic fields. In parallel, we are actively building a synergistic omni-channel commercialization system that captures the emerging trend of integrated development across “new retail, digital channels and consumer healthcare.” By strengthening brand-driven execution and digital engagement, we are driving integrated

in-hospital and out-of-hospital growth, opening up a broader runway for CMS's long-term expansion.

2. Multi-dimensional Expansion: Industrial Internationalization and Strategic Investment

With a global perspective, the Group leverages its Singapore-based APAC hub to accelerate the deep integration and targeted empowerment of the end-to-end value chain across R&D, manufacturing, and commercialization in global markets, building a replicable, scalable, and sustainable closed loop for international growth.

In addition, the Group is shaping an industry-synergy ecosystem through strategic investments. Through equity investments, we connect with advanced innovative biotechnology platforms and continuously empower our investee companies with our full-chain capabilities spanning R&D, clinical development, and commercialization. The investment returns will further optimize the allocation of innovation resources, while co-developed products will expand our commercialization pipeline, building a reinforcing cycle of "innovation aggregation - ecosystem empowerment - value returns" and creating a new ecosystem of "innovation + win-win collaboration".

Looking ahead, CMS will take innovation as its core engine. With strong global vision and strategic synergy capabilities, the Group will precisely seize growth opportunities amid a dynamically evolving global pharmaceutical landscape, continuously enhance its strategic position in the global pharmaceutical value chain, and write a new chapter of high-quality and sustainable development.

Financial Review

In reading the following discussion and analysis, please also refer to the audited consolidated financial statements and notes to the financial statements in the Annual Report.

The Group prepared its consolidated financial statements in accordance with the International Financial Reporting Standards. The Group's financial performance is summarized as follows:

Turnover

Turnover increased by 9.9% from RMB7,469.0 million for the year ended 31 December 2024 to RMB8,212.1 million for the year ended 31 December 2025. In the case that all medicines were directly sold by the Group, turnover increased by 8.9% to RMB9,385.6 million for the year ended 31 December 2025 from RMB8,621.6 million for the year ended 31 December 2024, mainly due to a continuing growth in sales of innovative/exclusive products, and the cessation of the material adverse impact from the National VBP on three products.

Gross Profit and Gross Profit Margin

Gross profit increased by 8.3% from RMB5,422.2 million for the year ended 31 December 2024 to RMB5,871.5 million for the year ended 31 December 2025; in the case that all medicines were directly sold by the Group, gross profit increased by 8.3% to RMB5,852.0 million for the year ended 31 December 2025 from RMB5,405.4 million for the year ended 31 December 2024, primarily reflecting an increase in turnover. Gross profit margin decreased by 1.1 percentage points to 71.5% for the year ended 31 December 2025 from 72.6% for the year ended 31 December 2024; in the case that all medicines were directly sold by the Group, gross profit margin decreased by 0.3 percentage point to 62.4% for the year ended 31 December 2025 from 62.7% for the year ended 31 December 2024, primarily reflecting a decrease in selling prices of products resulted from the impact of implementation of the

National VBP.

Selling Expenses

Selling expenses increased by 6.8% from RMB2,661.6 million for the year ended 31 December 2024 to RMB2,842.3 million for the year ended 31 December 2025; selling expenses as a percentage of turnover decreased by 1.0 percentage point to 34.6% for the year ended 31 December 2025 from 35.6% for the year ended 31 December 2024. In the case that all medicines were directly sold by the Group, selling expenses as a percentage of turnover decreased by 0.6 percentage point to 30.1% for the year ended 31 December 2025 from 30.7% for the year ended 31 December 2024, primarily reflecting an economy of scale.

Administrative Expenses

Administrative expenses increased by 11.0% from RMB780.1 million for the year ended 31 December 2024 to RMB865.8 million for the year ended 31 December 2025; administrative expenses as a percentage of turnover increased by 0.1 percentage point to 10.5% for the year ended 31 December 2025 from 10.4% for the year ended 31 December 2024. In the case that all medicines were directly sold by the Group, administrative expenses as a percentage of turnover increased by 0.2 percentage point to 9.2% for the year ended 31 December 2025 from 9.0% for the year ended 31 December 2024, primarily reflecting increases in the number of staff and listing related expenses.

Research and Development Expenditures

The Group's research and development expenditures included expenditures on research and development and clinical trial of new products, salaries and related expenses of staff who were engaged in the aforesaid affairs, for the sake of a continuous expansion of innovative product pipelines. Research and development expenditures included the expensed research and development expenditures (i.e. research and development expenses) and the capital payments (i.e. payments for acquisition and development of new products).

Total research and development expenditures increased by 40.5% from RMB753.3 million for the year ended 31 December 2024 to RMB1,058.4 million for the year ended 31 December 2025. Total research and development expenditures as a percentage of turnover for the year ended 31 December 2025 was 12.9%, representing an increase of 2.8 percentage points from 10.1% for the year ended 31 December 2024. In the case that all medicines were directly sold by the Group, total research and development expenditures as a percentage of turnover increased by 2.6 percentage points to 11.3% for the year ended 31 December 2025 from 8.7% for the year ended 31 December 2024, primarily reflecting increases in new collaboration on innovative products and in research and development activities.

Research and development expenses increased by 77.3% from RMB330.0 million for the year ended 31 December 2024 to RMB585.0 million for the year ended 31 December 2025. Research and development expenses as a percentage of turnover for the year ended 31 December 2025 was 7.1%, representing an increase of 2.7 percentage points from 4.4% for the year ended 31 December 2024. In the case that all medicines were directly sold by the Group, research and development expenses as a percentage of turnover for the year ended 31 December 2025 was 6.2%, representing an increase of 2.4 percentage points from 3.8% for the year ended 31 December 2024, mainly due to increases in self-researched projects and clinical trial expenses.

Capital payments increased by 11.8% from RMB423.3 million for the year ended 31 December 2024 to RMB473.4 million for the year ended 31 December 2025. Capital payments as a percentage of turnover for the year ended 31 December 2025 was 5.8%, representing an increase of 0.1 percentage point from 5.7% for the year ended 31 December 2024. In the case that all medicines were directly sold by the Group, capital payments as a percentage of turnover increased by 0.1 percentage point to 5.0% for the year ended 31 December 2025 from 4.9% for the year ended 31 December 2024.

Other Income

Other income decreased by 30.1% from RMB208.4 million for the year ended 31 December 2024 to RMB145.7 million for the year ended 31 December 2025, mainly due to a decrease in interest income.

Other Gains and Losses

Other gains and losses increased by 203.7% from a loss of RMB151.2 million for the year ended 31 December 2024 to a gain of RMB156.9 million for the year ended 31 December 2025, mainly due to an increase in equity investment income.

Share of Result of Associates/a Joint Venture

Share of result of associates/a joint venture decreased by 29.0% from RMB341.3 million for the year ended 31 December 2024 to RMB242.3 million for year ended 31 December 2025, mainly reflecting a decrease in profit of associates.

Finance Costs

Finance costs decreased by 47.4% from RMB38.6 million for the year ended 31 December 2024 to RMB20.3 million for the year ended 31 December 2025, mainly due to decreases in bank borrowings used and interest rates.

Income Tax Expense

Income tax expense increased by 66.1% from RMB397.2 million for the year ended 31 December 2024 to RMB659.8 million for the year ended 31 December 2025, mainly due to one-off income tax payment of RMB223.8 million which is ever a tax preference granted by the local authority for years from 2022 to 2024.

Profit for the Year

Profit for the year decreased by 10.5% from RMB1,613.1 million for the year ended 31 December 2024 to RMB1,443.3 million for the year ended 31 December 2025. Normalized profit for the year increased by 3.6% from RMB1,713.7 million for the year ended 31 December 2024 to RMB1,775.5 million for the year ended 31 December 2025, mainly due to increases in turnover and equity investment income.

Inventories

Inventories increased by 4.7% from RMB768.1 million as at 31 December 2024 to RMB804.0 million as at 31 December 2025. Average inventory turnover days decreased to 123 days for the year ended 31 December 2025 from 125 days for the year ended 31 December 2024, mainly reflecting a normal fluctuation in inventories.

Trade Receivables

Trade receivables increased by 29.9% from RMB1,222.5 million as at 31 December 2024 to RMB1,587.9 million as at 31 December 2025. Average trade receivables turnover days increased to 79 days for the year ended 31 December 2025 from 75 days for the year ended 31 December 2024, mainly reflecting changes in the sales weighting of customers with different credit terms.

Trade Payables

Trade payables decreased by 25.2% from RMB142.4 million as at 31 December 2024 to RMB106.6 million as at 31 December 2025. Average trade payables turnover days decreased to 19 days for the year ended 31 December 2025 from 25 days for the year ended 31 December 2024, mainly reflecting a difference in time points of settlement with suppliers.

Liquidity and Financial Resources

As at 31 December 2025, the Group's bank balances and cash amounted to RMB2,701.4 million. As at 31 December 2024, the bank balances and cash amounted to RMB3,706.5 million.

As at 31 December 2025, the cash and cash equivalents of the Group were mainly denominated in RMB, United States Dollar ("US$"), Euro ("EUR") and Hong Kong Dollars ("HK$").

The following table is a summary of our consolidated statements of cash flows:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Net cash from operating activities	758,421	1,268,547
Net cash used in investing activities	(984,322)	(615,096)
Net cash used in financing activities	(770,936)	(1,261,046)
Net decrease in cash and cash equivalent	(996,837)	(607,595)
Cash and cash equivalent at beginning of the year	3,706,501	4,311,058
Effect of foreign exchange rate changes	(8,284)	3,038
Cash and cash equivalent at end of the year	2,701,380	3,706,501

Net cash from operating activities

For the year ended 31 December 2025, the Group's net cash generated from operating activities was RMB758.4 million compared with RMB1,268.5 million for the year ended 31 December 2024, a decrease of 40.2% mainly due to a decrease in operating profit resulting from an increase in injection to research and development, and an increase in occupancy of working capital.

Net cash used in investing activities

For the year ended 31 December 2025, the Group's net cash used in investing activities was RMB984.3 million compared with RMB615.1 million for the year ended 31 December 2024, an increase of 60.0% mainly due to increases in equity investments and expenditures on innovative product collaborations.

Net cash used in financing activities

For the year ended 31 December 2025, the Group's net cash used in financing activities was RMB770.9 million compared with RMB1,261.0 million for the year ended 31 December 2024, a decrease of 38.9% mainly due to a decrease in the use of bank borrowings.

Net Current Assets

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Current Assets		
Inventories	803,958	768,139
Financial assets at fair value through profit or loss	3,084,902	2,160,097
Trade receivables	1,587,874	1,222,479
Other receivables and prepayments	670,692	558,004
Tax recoverable	1,270	5,553
Amount due from associates	448,493	284,088
Bank balances and cash	2,701,380	3,706,501
	9,298,569	8,704,861
Current Liabilities		
Trade payables	106,575	142,432
Other payables	389,141	342,365
Lease liabilities	16,597	16,933
Contract liabilities	12,133	16,610
Bank borrowings	651,815	831,300
Tax liabilities	292,962	166,423
	1,469,223	1,516,063
Net current assets	7,829,346	7,188,798

The Group's liquidity requirements will be satisfied by a combination of cash flow generated from operating activities, long-term bank loans and other financing means, according to the corporate development strategy.

Capital Expenditures

The following table shows the Group's capital expenditure:

	For the year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Deposits for acquisition of intangible assets	473,374	423,289
Purchase of property, plant and equipment	41,037	32,619
	514,411	455,908

Capital Structure and Gearing Ratio

The Company reviews the capital structure on a regular basis, and considers the cost of capital and the risks associated with each class of capital, for maximizing the return to shareholders of the Company.

The following table shows the Group's debts:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Interest bearing bank borrowings	651,815	831,300

The Group had bank borrowings of RMB651.8 million as at 31 December 2025 (31 December 2024: RMB831.3 million).

The Group's gearing ratio, calculated as bank borrowings divided by total assets, decreased by 1.2 percentage points to 3.4% as at 31 December 2025 from 4.6% as at 31 December 2024.

Market Risks

We are exposed to various types of market risks, including interest rate risks, foreign exchange risks, policy risks and inflation risks in the normal course of business.

The Group is mainly exposed to currency risk of the US$, EUR and HK$. For the Group's subsidiaries in China, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Any significant exchange rate fluctuations of foreign currencies against RMB may have a financial impact on the Group. The Group closely monitors the fluctuation of exchange rates and reviews the foreign currency risk management strategy from time to time, the management will consider hedging foreign currency exposure as appropriate.

The Group will closely monitor movements of interest rate and foreign currencies market so as to mitigate the expected risk on interest rate and foreign currencies.

Pledge of Assets

As at 31 December 2025, the Group had pledged property, plant and equipment and leasehold land with net book values of approximately RMB17,937,000 and RMB14,060,000, respectively to secure certain bank borrowings and general banking facilities granted to the Group.

Contingent Liabilities

As at 31 December 2025, the Group had no material contingent liabilities.

Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2025, the Group disposed of a subsidiary Shanghai Carnation Medical Technology Co., Ltd. and an associate Shenzhen Kangmai Biotechnology Co., Ltd.

Dividend

During the year ended 31 December 2025, the Group paid an interim dividend for 2025 and a final dividend for 2024 of RMB376.4 million and RMB284.2 million, respectively. For the year ended 31 December 2024, the Group paid an interim dividend for 2024 and a final dividend for 2023 of RMB364.2 million and RMB192.0 million, respectively.

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

None of the Company or any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

Corporate Governance Practices

The Company has complied with the applicable principles and code provisions of the CG Code as set out in Appendix C1 to the Listing Rules from 1 January 2025 to 31 December 2025, except for a deviation from the Code Provision C.2.1 in respect of the roles of Chairman and Chief Executive which shall not be performed by the same individual.

Mr. Lam Kong has been both the Chairman and Chief Executive of the Company and his responsibilities are clearly established and set out in writing and approved by the Board. Given the Group's current stage of development, the Board considers that vesting the roles of Chairman and Chief Executive in the same person facilitates the execution of the Group's business strategies and maximizes effectiveness of its operations. The Board shall nevertheless review the Group's management structure from time to time and shall consider any appropriate adjustments should new circumstances arise.

Audit Committee

The Company established the Audit Committee in 2007. The Audit Committee comprises three independent non-executive Directors, and is currently chaired by Mr. Fung Ching Simon, with Mr. Leung Chong Shun and Ms. Luo Laura Ying as the committee members.

The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Company, and to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors. The Audit Committee also oversees the Company's appointment of external auditors. The annual results announcement and annual report for the year ended 31 December 2025 of the Company have been reviewed by the Audit Committee and approved by the Board with recommendation of the Audit Committee. The Audit Committee meets at least twice a year with the external auditors, at least one of which there is no executive Directors at present. The terms of reference of the Audit Committee are posted on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.cms.net.cn).

For the year ended 31 December 2025, the Audit Committee held three meetings. At the meetings, the Audit Committee reviewed the annual results for 2024, the interim results for 2025, the activities of the Group's risk management and internal control functions and also discussed and approved the arrangement of the annual audit

work and then proposed the recommendations to the Board. Below is the attendance rate of the committee members:

Committee Members	Attendance Rate of the Meetings for the Year Ended 31 December 2025
Mr. Fung Ching Simon (Chairman)	3/3
Mr. Leung Chong Shun	3/3
Ms. Luo Laura Ying	3/3

The annual results announcement and annual report for the year ended 31 December 2025 of the Company have been reviewed by the Audit Committee, and with recommendation to the Board for approval.

Cash Dividend

The Company has paid an interim dividend of RMB0.1555 (equivalent to HK$0.171 and SGD$0.028) per ordinary share of the Company (the "Share") for the six months ended 30 June 2025. The Board is pleased to recommend a final dividend of RMB0.1366 (equivalent to HKD0.155 and SGD0.025) per Share for the year ended 31 December 2025 to shareholders whose names appear on the register of members of the Company after market closes on Wednesday, 29 April 2026. Payment of such final dividend in Hong Kong dollars and Singapore dollars is expected to be made to the Shareholders on about Thursday, 7 May 2026 after the Shareholders' approval at the annual general meeting (the "AGM"). For the purpose of determination of the Shareholders registered under the Company's register of members in Hong Kong and register of members in Singapore for receiving the final dividend in Hong Kong dollars or Singapore dollars respectively, any removal of the Shares between the Company's register of members in Hong Kong and register of members in Singapore has to be made by the Shareholders no later than 4:30 p.m. (both Hong Kong and Singapore times) on Monday, 30 March 2026.

Closure of Register of Members

Entitlement to attend and vote at the AGM

The Register will be closed from Friday, 17 April 2026 to Thursday, 23 April 2026 (both days inclusive), during which the registration of transfer of Shares will be suspended. In order to qualify for attending and voting at the AGM, (i) Hong Kong shareholders must ensure that all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 16 April 2026; (ii) Singapore shareholders must ensure that all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877, for registration no later than 5:00 p.m. (Singapore time) on Thursday, 16 April 2026.

Entitlement to Final Dividend

For Hong Kong Shareholders

To determine the eligibility of Hong Kong shareholders to receive the final dividend, the Register will be closed on Wednesday, 29 April 2026, on which date no transfer of Shares will be effected. The last day for dealing in the Shares on a cum-entitlement basis will be Friday, 24 April 2026. Hong Kong Shareholders are reminded that in

order to qualify for the final dividend, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 28 April 2026.

For Singapore Shareholders

The last day for dealing in the Shares on a cum-entitlement basis will be Monday, 27 April 2026. Singapore Shareholders are reminded that in order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Singapore share transfer agent, In.Corp Corporate Services Pte. Ltd. at 36 Robinson Road, #20-01 City House, Singapore 068877 for registration no later than 5:00 p.m. (Singapore time) on Wednesday, 29 April 2026.

Directors' Securities Transactions

The Company adopted the Written Guidelines for Securities Transactions by Directors and Relevant Employees (the "Written Guidelines") on no less exacting terms than the Model Code as the code of conduct for Directors' securities transactions. Having made specific inquiries of all Directors in relation to the compliance with the Written Guidelines for securities transactions by Directors, the Company confirmed that all the Directors have complied with the relevant standards for securities transactions by directors set out in the Written Guidelines for the year ended 31 December 2025. The Written Guidelines also apply to other specified senior management of the Company.

Employees who are likely to be in possession of unpublished price-sensitive information about the Company are also subject to compliance with the Written Guidelines. No incident of non-compliance with the Written Guidelines by such employees was noted by the Company in the Reporting Period.

Disclosure of Information

The information provided in this announcement is only the summary of 2025 Annual Report of the Company. The 2025 Annual Report will be dispatched to shareholders of the Company and published on the websites of the SEHK (www.hkexnews.hk), the SGX (www.sgx.com) and the Company (www.cms.net.cn).

Change of Member of the Environmental, Social and Governance Committee

The Board announces that Ms. Luo Laura Ying, an independent non-executive Director, has been appointed as a member of the Environment, Social and Governance Committee (the "ESG Committee"), effective from 16 March, 2026. Following this appointment, the ESG Committee comprises one executive Director and three independent non-executive Directors, chaired by Ms. Chen Yanling, with Mr. Leung Chong Shun, Mr. Fung Ching Simon and Ms. Luo Laura Ying as members.

By order of the Board
China Medical System Holdings Limited
Lam Kong
Chairman

Hong Kong, 16 March 2026

As at the date of the announcement, the directors of the Company comprise (i) Mr. Lam Kong and Ms. Chen Yanling as executive directors; (ii) Mr. Leung Chong Shun, Ms. Luo Laura Ying and Mr. Fung Ching Simon as independent non-executive directors.