EVEREST MEDICINES
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Everest Medicines Limited
雲頂新耀有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1952)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the "**Board**") of Everest Medicines Limited (the "**Company**") announces the audited annual results of the Company and its subsidiaries for the year ended 31 December 2025. This announcement, containing the full text of the 2025 annual report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information accompanying preliminary announcements of annual results.

These annual results have been reviewed by the Company's audit committee and the Company's auditors, Ernst & Young.

Both the Chinese and English versions of this results announcement are available on the websites of the Company (www.everestmedicines.com) and the Stock Exchange (www.hkexnews.hk). Printed versions of the Company's 2025 annual report will be delivered to shareholders of the Company who have chosen to receive printed versions and electronic versions will be available for viewing on the websites of the Company (www.everestmedicines.com) and the Stock Exchange (www.hkexnews.hk) by the end of April 2026.

By Order of the Board
Everest Medicines Limited
Yifang Wu
Chairman and Executive Director

Hong Kong, 25 March 2026

As at the date of this announcement, the Board comprises Mr. Yifang Wu as Chairman and Executive Director, Mr. Yongqing Luo and Mr. Ian Ying Woo as Executive Directors, Mr. Wei Fu, Mr. William Ki Chul Cho and Mr. Xin Sun as Non-executive Directors, and Ms. Hoi Yam Chui, Mr. Yifan Li and Mr. Shidong Jiang as Independent Non-executive Directors.

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Yifang Wu (吳以芳) *(Chairman of the Board)*
(appointed with effect from 10 October 2025)
Mr. Yongqing Luo (羅永慶)
Mr. Ian Ying Woo (何穎)

Non-Executive Directors

Mr. Wei Fu (傅唯) *(Honorary chairman of the Board)*
(re-designated as a non-executive Director with effect from 10 October 2025)
Mr. William Ki Chul Cho (曹基哲)
Mr. Honggang Feng (馮洪剛)
(resigned with effect from 10 October 2025)
Mr. Xin Sun (孫欣)
(appointed with effect from 11 December 2025)

Independent Non-executive Directors

Mr. Shidong Jiang (蔣世東)
Mr. Yifan Li (李軼梵)
Ms. Hoi Yam Chui (徐海音)

AUDIT COMMITTEE

Mr. Yifan Li (李軼梵) *(Chairperson)*
Mr. Shidong Jiang (蔣世東)
Ms. Hoi Yam Chui (徐海音)

REMUNERATION COMMITTEE

Ms. Hoi Yam Chui (徐海音) *(Chairperson)*
Mr. Yifang Wu (吳以芳)
(appointed with effect from 10 October 2025)
Mr. Shidong Jiang (蔣世東)
Mr. Wei Fu (傅唯)
(resigned with effect from 10 October 2025)

NOMINATION COMMITTEE

Mr. Yifang Wu (吳以芳) *(Chairperson)*
(appointed with effect from 10 October 2025)
Mr. Yifan Li (李軼梵)
Ms. Hoi Yam Chui (徐海音)
Mr. Wei Fu (傅唯)
(resigned with effect from 10 October 2025)

JOINT COMPANY SECRETARIES

Ms. Leah Liu (劉栩昕)
(resigned with effect from 15 April 2025)
Mr. King Hang Yeung (楊景行)
(appointed with effect from 15 April 2025)
Ms. Yee Wa Lau (劉綺華)

AUTHORISED REPRESENTATIVES

Mr. Ian Ying Woo (何穎)
Ms. Yee Wa Lau (劉綺華)

AUDITOR

Ernst & Young
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HONG KONG SHARE REGISTRAR

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PRINCIPAL BANKER

Standard Chartered Bank (Hong Kong) Limited
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STOCK CODE

1952

COMPANY WEBSITE

www.everestmedicines.com

Chairman's Statement

Dear Everest Medicines Shareholders,

Since its founding in 2017, Everest Medicines has journeyed through eight momentous years. Over this period, we have been an integral part of the transformative waves of innovation within China's biopharmaceutical landscape. The year 2025, in particular, witnessed the sector surge forward with remarkable dynamism and momentum, supported by continued innovation, an accelerated pace of drug development, and growing global partnerships. Against this backdrop, Everest Medicines delivered strong execution, strengthening its commercial organization, growing revenues, and advancing its internal discovery pipeline with investors recognizing the Company's progress.

In 2025, Everest Medicines achieved significant progress across both commercialization and in-house R&D, laying a solid foundation for the next phase of growth. With the launch of our 2030 Strategy, we have articulated a clear five-year blueprint to build on this foundation and to develop Everest into a globally innovative biopharmaceutical company, serving as a commercialization platform for innovative drugs in China and enabling high-impact discoveries to reach patients worldwide.

The vision of Everest Medicines to become a commercialization platform for innovative medicines in China stems from the Company's outstanding commercial execution achievements over the past year. The Company recorded total revenues of RMB1,707 million in 2025, representing 142% year-over-year growth. This performance reinforced the Company's ability to translate innovation into sustained commercial impact and provided a solid foundation to support continued investment in pipeline advancement and long-term value creation.

NEFECON® continued to anchor Everest's commercial performance, reinforced by its inclusion on China's National Reimbursement Drug List (NRDL) as the only fully-approved medicine for IgA nephropathy (IgAN), significantly expanding affordability and patient access for the approximately 5 million IgAN patients in China. NEFECON® was also recognized in the 2025 Kidney Disease Improving Global Outcomes (KDIGO) guideline and China's first national IgAN guideline as a first-line etiological treatment, reinforcing its role as a foundational therapy targeting the underlying cause of the disease. Supported by broad NRDL implementation, guideline endorsement, and continued generation of real-world evidence under our "Treat the Cause, Treat Early, Treat Long-Term" strategy, NEFECON® became the first non-oncology product to achieve revenues exceeding RMB1 billion in its first year of NRDL inclusion.

Meanwhile, patient demand for XERAVA® continued to grow significantly. This growth is attributed to the extensive coverage provided by our professional sales team across approximately 300 core hospitals, as well as effective market expansion in non-core regions through Contract Sales Organizations (CSOs). Together, these efforts have driven broad recognition and market penetration for XERAVA®. The product further reinforces Everest's growing presence in critical care and the Company's ability to efficiently scale products across multiple therapeutic areas.

Chairman's Statement

VELSIPITY® reached an important inflection point with regulatory approval from China's National Medical Products Administration (NMPA) for the treatment of moderately to severely active ulcerative colitis (UC) and the issuance of the first prescription, marking a major milestone in Everest's expansion into autoimmune disease. With a large and growing UC patient population in China, a strong clinical profile demonstrating rapid, durable clinical remission and deep mucosal healing, validation in leading international treatment guidelines, and the convenience of once-daily oral administration, we believe VELSIPITY® has the potential to become the Company's second blockbuster following NEFECON®. We are dedicating significant commercial and medical resources to its launch, including focused physician education, the build-out of a professional sales force and preparation for NRDL negotiations in the second half of 2026, to support broad patient access and long-term growth. In addition, our localized production project is on track to go live in 2027 to ensure sufficient supply and high profit margins.

EVER001 (civorebrutinib) is another promising growth driver in Everest's global pipeline with positive 52-week Phase 1b/2a data in primary membranous nephropathy (pMN), demonstrating rapid, deep, and durable immunological and clinical remission, alongside a favorable safety and tolerability profile. As a next-generation reversible covalent BTK inhibitor with global rights, EVER001 represents a meaningful opportunity to address significant unmet medical need while enhancing Everest's visibility in international markets. We remain focused on advancing this program toward later-stage development and a basket trial across various renal indications, while pursuing global partnership opportunities to maximize long-term value.

Everest also made meaningful progress across its internally developed mRNA programs, further strengthening the Company's innovation engine and advancing its ambition to build globally competitive technology platforms. These proprietary capabilities, spanning antigen design, mRNA sequence optimization, and targeted delivery, position Everest to generate differentiated assets with global rights. Our personalized mRNA cancer vaccine program, EVM16, advanced through investigator-initiated clinical development, with dose escalation completed in Part A of the ongoing IIT study. In parallel, our off-the-shelf tumor-associated antigen (TAA) mRNA cancer vaccine, EVM14, achieved a significant milestone with IND approvals in both the United States and China, marking Everest's first dual regulatory clearance for a self-developed global asset. We also advanced our in vivo mRNA CAR-T program, EVM18, by generating encouraging preclinical proof-of-concept data in non-human primates and preparing for clinical development.

Strategic partnerships have played an important role in strengthening Everest's portfolio and will continue to be pivotal to its long-term growth. During 2025, the Company increased its strategic investment in NovaBridge Biosciences to become its largest shareholder and acquired an exclusive license from its subsidiary to develop, manufacture and commercialize VIS-101, a purpose-designed tetravalent, dual VEGF-A x ANG-2 inhibitor in development for retinal vascular diseases in Greater China, Singapore, South Korea, and certain Southeast Asian countries. Everest also entered into a Commercialization Services Agreement with Hasten Biopharmaceutical, providing commercialization services for a portfolio of mature cardiovascular and critical care products and in-licensed LEROCHOL™ (lerodalcibep-liga), a third-generation PCSK9 inhibitor. In early 2026, the Company further expanded its renal portfolio to include a broader range of chronic kidney diseases through an exclusive license agreement with Micot for MT1013, a first-in-class dual-targeting receptor agonist for secondary hyperparathyroidism. Together, these initiatives expand the Company's late-stage pipeline, deepen its presence in core therapeutic areas, and reinforce the efficient utilization of Everest's established commercial infrastructure.

Chairman's Statement

Looking ahead to 2026, Everest is positioned to build on the strong foundation established across its commercial portfolio and innovation platforms. NEFECON® is expected to remain a key driver of revenue growth, supported by its NRDL status, market exclusivity, and a differentiated disease-management strategy that emphasizes early diagnosis and sustained treatment. Meanwhile, we will devote additional resources to further expand our sales team, deepen coverage in core hospitals, and actively explore the growth potential of NEFECON® in non-core markets through CSO partnerships this year. To further support appropriate identification and treatment of IgAN, the Company plans to introduce a Gd-IgA1 diagnostic tool designed to facilitate non-invasive screening and improve diagnostic rates and enable repeated treatment cycles in clinical practice.

Across the broader commercial portfolio, Everest will continue to expand its scale and efficiency. Plans include advancing localized production of XERAVA® and initiating NRDL negotiations for this brand to broaden access and utilization. In parallel, the established XERAVA® commercial infrastructure provides a strong base to support the rollout of critical care products from the Hasten portfolio, creating operational synergies and improving overall productivity.

Meaningful progress is also expected across Everest's internally developed discovery programs in 2026. For the personalized mRNA cancer vaccine program, EVM16, the Company anticipates reporting initial human data from the ongoing Phase 1a trial at an international conference and advancing the program into further clinical development. For EVM14, the off-the-shelf tumor-associated antigen mRNA vaccine, the Company plans to complete dose escalation in both U.S. and China cohorts this year. The in vivo mRNA CAR-T program is planned to enter multiple investigator-initiated trials, while advancing global IND filings. Together, these programs underscore Everest's commitment to building differentiated, globally competitive innovation platforms to support long-term value creation.

In 2026, Everest also expects continued advancement of its newly in-licensed late-stage assets, supporting both pipeline depth and expansion into ophthalmology and cardiovascular therapeutic areas. For VIS-101, a novel bifunctional biologic targeting VEGF-A and ANG-2 which demonstrated rapid, robust and durable treatment responses in a Phase IIa study, the Company plans to advance preparations for the next-stage of clinical development. For LEROCHOL™, a third-generation PCSK9 inhibitor, Everest plans to submit a Biologics License Application (BLA) in Greater China in the first half of 2026.

Overall, 2026 is expected to be a year of continued execution and transformation for Everest Medicines. The Company aims to scale its commercial portfolio, advance key assets toward blockbuster potential, and further elevate the global profile of its internally discovered pipeline. A larger and more diverse commercial portfolio will serve as a solid foundation supporting the Company's steady growth, while continuous innovation and breakthroughs in cutting-edge fields will unlock significant potential for value creation. At the heart of achieving this vision is our unwavering commitment to the dual-engine strategy: combining disciplined external partnerships with sustained investment in in-house R&D, including our in vivo mRNA CAR-T platform and mRNA cancer vaccine platform.

Chairman's Statement

On behalf of the Company, and as I begin my tenure as Chairman, I would like to express my sincere appreciation to our Board of Directors, employees, partners, and shareholders for your continued support as we continue to execute our dual-engine strategy to solidify our leadership position in key therapeutic areas, advance high-potential programs with global rights, and become a leading biopharma in Asia Pacific and beyond.

Mr. Yifang Wu
Chairman

Hong Kong
25 March 2026

Financial Highlights

IFRS NUMBERS:

- Revenue for the year ended 31 December 2025 amounted to RMB1,706.7 million, representing a significant increase of RMB1,000.0 million or 141.5% as compared with RMB706.7 million for the year ended 31 December 2024. The growth in revenue was primarily driven by the continued ramp-up of NEFECON® in the commercialized markets.

  In the China market, the inclusion of NEFECON® in the National Reimbursement Drug List ("NRDL") served as a key growth driver, resulting in a substantial increase in NEFECON® revenue for the year ended 31 December 2025.

  In markets outside China, NEFECON® achieved important milestones with its successful launch in Taiwan and Korea, and continued ramp up in other Asia markets. Meanwhile, VELSIPITY® was successfully launched in the Singapore market. These achievements underscore the Group's progress in expanding its Asian footprint and enhancing patient access to medicines.

- Gross profit margin decreased from 74.6% for the year ended 31 December 2024 to 69.3% for the year ended 31 December 2025. Excluding the amortisation of intangible assets, the gross profit margin decreased from 82.9% for the year ended 31 December 2024 to 74.1% for the year ended 31 December 2025. The decrease was primarily due to the NRDL of NEFECON® in Chinese Mainland.

  Nonetheless, the Group continued to optimise product costs by ways of internal efficiency initiatives through process improvements and supply chain streamlining. Additionally, the Company made collaborative efforts with suppliers such as joint cost-reduction programs to achieve economies of scale.

- R&D expenses for the year ended 31 December 2025 amounted to RMB511.0 million, representing a slight decrease from RMB528.0 million for the year ended 31 December 2024. The Company successfully achieved several R&D milestones during the year, and has been actively optimizing its R&D strategy to accelerate the development of its in vivo CAR-T and mRNA platforms towards next-stage research and clinical readiness, and to further unlock the value of EVER001 (Civorebrutinib). Additionally, leveraging its excellent clinical development capabilities, the Company further enriched its late-stage product pipeline through strategic cooperation and licensing-in initiatives.

- General and administrative expenses for the year ended 31 December 2025 increased by RMB26.4 million to RMB276.5 million, compared with RMB250.1 million in the prior year. The increase was primarily attributable to headcount expansion as the Group made strategic investments in talent acquisition to support the advancement of its pipeline development and market expansion initiatives.

- Distribution and selling expenses increased by RMB272.5 million from RMB508.1 million for the year ended 31 December 2024 to RMB780.6 million for the year ended 31 December 2025. The Company proactively expanded coverage in medical institutions, as well as strengthen academic promotion and medical education initiatives. The Group focused on building a full-channel commercialisation system and enhancing its commercialisation capabilities in the full life cycle of pharmaceutical products.

- The ratio of total operating expenses (comprising general and administrative expenses, research and development expenses and distribution and selling expenses) to revenue decreased by 90.1 percentage points, reflecting improved operational efficiency and focused resource allocation by the Group.

- Net loss for the year decreased by RMB743.6 million from RMB1,041.4 million for the year ended 31 December 2024 to RMB297.8 million for the year ended 31 December 2025. The decrease was primarily attributable to (i) strong product revenue growth, (ii) improved operational efficiency, (iii) the recognition of deferred tax assets in respect of cumulative tax losses incurred in Singapore, as it was considered probable that sufficient future taxable profits would be available to utilise such tax losses, and (iv) impairment losses arising from intangible assets of RMB312.3 million in relation to Zetomipzomib, SPR206 and FGF401, compared with impairment losses of RMB356.3 million related to mRNA COVID-19 vaccines for the year ended 31 December 2024.

- Cash and cash equivalents and bank deposits amounted to RMB2,731.5 million as of 31 December 2025.

NON-IFRS MEASURE:

- Adjusted profit/(loss) for the year[1] turned a loss of RMB537.6 million for the year ended 31 December 2024 to a profit of RMB187.2 million for the year ended 31 December 2025, increasing by RMB724.7 million, primarily excluding the one-time and non-recurring loss on impairment of intangible assets and investment income arising from investment in associate and non-cash expenses of share-based compensation and amortization of intangible assets.

1 Adjusted profit/(loss) for the year represents the loss for the year attributable to the equity holders of the Company excluding the effect of certain non-cash items and one-time events, namely the loss on fair value changes in financial assets at fair value through profit or loss, the gain/(loss) on fair value changes of preferred shares (current financial liabilities measured at fair value through profit or loss), share-based compensation loss, impairment loss on intangible assets, impairment loss on property, plant and equipment, intangible assets amortization and investment income arising from investment in associate. For the calculation and reconciliation of this non-IFRS measure, please refer to the paragraph numbered 17 under the heading "Financial Review" below.

Business Highlights

During the year ended 31 December 2025, and as of the Latest Practicable Date, Everest Medicines delivered significant progress across its commercial portfolio, late-stage pipeline, and proprietary research and development platforms, reflecting disciplined execution across commercialization, clinical development, and innovation. Key achievements during the year included continued commercial, regulatory, and clinical practice momentum for NEFECON® as a foundational therapy in IgA nephropathy, leading it to become the first non-oncology product exceeding RMB1 billion in revenues in its first year of NRDL inclusion; substantial revenue growth from overseas markets amid NEFECON®'s commercial launch in China Taiwan and South Korea, as well as VELSIPITY's commercialization in Singapore; advancement of multiple late- and mid-stage clinical programs and real-world studies across the renal, autoimmune, and infectious disease portfolios; and expansion into new therapeutic areas through selective business development, including entry into ophthalmology, and cardiovascular disease.

In parallel, the Company continued to strengthen its innovation engine through progress across its AI-enabled mRNA platforms in preclinical studies, regulatory filings and clinical development, solidifying the Company's dual-engine strategy. Together, these milestones support sustained near-term commercial growth, product diversification, and the continued build-out of a diversified pipeline to support long-term value creation. The Company also maintained a solid capital position and sustained operating cash flow to support ongoing execution of the new five-year development strategy.

RENAL PRODUCTS PORTFOLIO

NEFECON®*, our anchor product in the renal therapeutic area, is a patented oral, delayed release formulation of budesonide, a corticosteroid with potent glucocorticoid activity and weak mineralocorticoid activity that undergoes substantial first pass metabolism. The formulation is designed as a delayed release capsule that is enteric coated so that it remains intact until it releases budesonide to the distal ileum. Each capsule contains coated beads of budesonide that target mucosal B-cells present in the ileum where the disease originates, as per the predominant pathogenesis models. NEFECON® received China NMPA approval for the treatment of primary IgA nephropathy (IgAN) in November of 2023 and launched in Chinese Mainland in May 2024. As of January 2025, NEFECON® has also been added to the National Reimbursement Drug List (NRDL), which greatly enhances patient access to this critically important medication. In 2025, NEFECON® became the first non-oncology product to achieve revenues exceeding RMB1 billion in its first year of NRDL inclusion.*

— In January 2025, NEFECON® pricing was officially implemented under the NRDL after its inclusion in November 2024. Patients are able to obtain NEFECON® at designated medical institutions or pharmacies and benefit from the reimbursed pricing. The official implementation of the NRDL expands the accessibility of NEFECON®, alleviates patient financial burden, and enables more patients with IgAN in China to benefit from this innovative drug.

— In May 2025, the supplemental new drug application for NEFECON® was granted full approval by the China NMPA, irrespective of proteinuria levels. This milestone makes NEFECON® the first and only etiological treatment for IgA nephropathy (IgAN) to receive full approval in China. The full approval by the NMPA is based on data from the global Phase 3 NefIgArd clinical trial, a randomized, double-blind, multicenter study that evaluated the efficacy and safety of NEFECON® at a once-daily dose of 16 mg, compared to placebo in adult patients with primary IgAN on optimized RASi therapy.

— In May 2025, NEFECON® was included in the "Clinical Practice Guideline for IgA Nephropathy and IgA Vasculitis in Chinese Adults (For Public Review)", which recommends a 9-month course of NEFECON® for all primary patients with IgAN who are at risk for disease progression, irrespective of proteinuria levels. The guideline recommends that patients with proteinuria ≥ 0.5g/day (or equivalent levels) undergo a renal biopsy and initiate treatment. For the first time, the guideline introduces interventions targeting immune-mediated damage, particularly the formation of pathogenic IgA1 (Gd-IgA1), a key driver of pathogenesis to IgAN. NEFECON® is recommended as the preferred treatment to reduce Gd-IgA1. Once short-term treatment goals, namely proteinuria remission (defined as proteinuria < 0.5 g/day, ideally < 0.3 g/day) and stable renal function, are achieved, low-dose maintenance or repeated safe and effective immunotherapy can be considered together with supportive care to ensure that eGFR declines by less than 1 mL/min per year.

— In June 2025, Everest presented 9 new abstracts on NEFECON® at the 62nd European Renal Association Congress (ERA 2025). These included 8 oral presentations and one e-poster. The newly released results provide comprehensive findings, including efficacy predictive biomarkers, efficacy evaluations across patients with varying diagnosis timelines and baseline eGFR, long-term treatment sustainability, and in particular, investigations into the mechanism of action and safety profile. The results show that NEFECON® improves renal function in IgAN patients, regardless of baseline eGFR or time since diagnosis. Additionally, the new results demonstrate that early treatment with NEFECON® can help protect renal function and slow disease progression, leading to improved disease management and an improved quality of life for patients.

— In August 2025, Everest announced that the supplemental application for the production expansion of NEFECON® has been officially approved by China's NMPA. This approval for production expansion will further boost capacity and increase product supply, enabling a more efficient response to the growing clinical demand in China and across Asia.

— In August 2025, Everest announced that China Taiwan Food and Drug Administration (the "TFDA") approved the supplementary application for NEFECON®. NEFECON® is indicated to reduce the loss of kidney function in adults with primary IgAN who are at risk for disease progression, irrespective of proteinuria levels. The Taiwan region became the last region across all of Everest's territories to grant full approval for NEFECON®, together with Chinese Mainland, Singapore, Macao SAR, Hong Kong SAR and South Korea.

— In September 2025, Everest announced that seven new real-world evidence abstracts on NEFECON® were presented at the 18th International Symposium on IgA Nephropathy (IIgANN 2025), highlighting the efficacy and safety of NEFECON® across multiple leading hospitals in China and supporting its clinical value as an etiological treatment aligned with the "Treat the Cause, Treat Early, Treat Long-Term" disease management strategy.

— In September 2025, NEFECON® was included in 2025 Clinical Practice Guideline for the Management of IgA Nephropathy (IgAN) and IgA Vasculitis (IgAV). The guideline suggests treatment with a 9-month course of NEFECON® for all patients who are at risk of progressive loss of kidney function due to IgAN. It also highlights that a 9-month treatment course of NEFECON® may not result in a sustained clinical response in terms of proteinuria reduction or estimated glomerular filtration rate (eGFR) stabilization, highlighting the need for extended treatment, with long-term data currently being further evaluated.

— In October 2025, NEFECON® was included in China's "Clinical Practice Guidelines for Adult Patients with IgA Nephropathy and IgA Vasculitis-Associated Nephritis (2025)" as the preferred etiological treatment, recommending a 9-month course for IgAN patients at risk of disease progression to reduce Gd-IgA1. NEFECON® is the only approved IgAN therapy recommended by the 2025 China guidelines and is also endorsed by the 2025 KDIGO guidelines, making it the only IgAN etiological treatment simultaneously recommended by both international and domestic guidelines.

— In November 2025, multiple new study results on NEFECON® for the treatment of patients with IgAN were presented at the 58th American Society of Nephrology Kidney Week (ASN Kidney Week 2025).

— In December 2025, the Company presented a total of 11 new study findings on NEFECON® at the 23rd Asian Pacific Congress of Nephrology (APCN 2025), further enriching the clinical evidence supporting its use.

Post-Reporting Period achievements and expected milestones:

— We expect to gain regulatory approval for the non-invasive Gd-IgA1 diagnostic test in 2026, with the aim of providing IgAN patients with a tool to facilitate disease diagnosis and monitor disease progression without the need for biopsy.

EVER001 (civorebrutinib) *is a next-generation covalent reversible Bruton's tyrosine kinase (BTK) inhibitor with potential best-in-class characteristics for the treatment of autoimmune renal diseases such as primary membranous nephropathy (pMN), IgA nephropathy (IgAN), minimal change disease (MCD), focal segmental glomerulosclerosis (FSGS), and lupus nephritis (LN). Compared to irreversible covalent BTK inhibitors, EVER001 offers improved selectivity while maintaining high potency, thereby potentially avoiding many of the side effects associated with earlier-generation BTK inhibitors. Everest Medicines holds global rights to EVER001 for the treatment of renal diseases.*

— In June 2025, Everest presented positive results, including longer-term data as of 17 December 2024, from the ongoing Phase 1b/2a clinical trial of EVER001 in China at ERA 2025. 10 patients in the low-dose cohort completed 52 weeks of follow-up, and 10 patients in the high-dose cohort completed 24 weeks of treatment. Compared to baseline, the least squares (LS) geometric mean levels of anti-PLA2R autoantibodies decreased by 62.1% in the low-dose cohort and 87.3% in the high-dose cohort at week 12. The reductions in both cohorts reached approximately 93% at week 24. Additionally, in the low-dose cohort, a 78.0% reduction in proteinuria was observed by the end of 36 weeks of treatment which was sustained through week 52. In the high-dose cohort, a 70.1% reduction in proteinuria was shown at week 24, with 80.0% of patients achieving clinical remission. Patients in both cohorts maintained stable renal function during the treatment period. EVER001 was generally safe and well tolerated. No clinically significant adverse events commonly associated with covalent irreversible BTK inhibitors were observed.

— In July 2025, Everest announced updated positive results from the ongoing Phase 1b/2a clinical trial of EVER001, with a data cut off of March 21, 2025 (in Cohort 1, 11 patients completed 52 weeks of follow-up; in Cohort 2, 16 patients completed 24 weeks of treatment, 12 patients completed 36 weeks of treatment, and 7 patients completed 52 weeks of follow-up). Compared to baseline, the geometric least square (LS) mean of anti-PLA2R autoantibody levels decreased by 62.2% in Cohort 1 and 87.3% in Cohort 2 at week 12. The reductions in both cohorts reached more than 93% at week 24 and were sustained through week 52 in both cohorts. 76.9% of patients in Cohort 1 and 88.2% in Cohort 2 achieved immunological complete remission at week 24. Geometric LS mean of 24hr proteinuria levels in cohorts 1 and 2 decreased by 57.0% and 67.6% at week 24, respectively; and further deepened to 76.7% and 80.6% at week 36, respectively; the reductions in both cohorts were sustained through week 52. Consistent with prior results, 38.5% of patients in Cohort 1 and 70.6% of patients in Cohort 2 reached clinical remission at Week 24 and the remission rate improved to 69.2% and 91.7% by week 36. The average serum albumin levels of patients in both cohorts reached the normal range during the treatment period, while maintaining stable eGFR. EVER001 was generally safe and well tolerated with the most common Treatment-Related Adverse Events (TRAEs) categorized as Grade 1-2. No clinically significant adverse events commonly associated with BTK inhibitors were observed.

Post-Reporting Period achievements and expected milestones:

— We expect to present detailed Phase 1b/2a clinical study data of EVER001 at international medical conferences in the first half of 2026.

— We expect to initiate a Phase II basket trial evaluating EVER001 across multiple indications in 2026.

MT1013 *is a first-in-class dual-targeting receptor agonist polypeptide for the treatment of secondary hyperparathyroidism (SHPT). Everest signed a licensing agreement with Micot in February 2026 to commercialize the product in China and Asia-Pacific (excluding Japan). MT1013 simultaneously targets the calcium-sensing receptor (CaSR) and the osteogenic growth peptide (OGP) receptor, expanding Everest's renal portfolio into dialysis-related complications and supporting efficient utilization of the Company's established nephrology commercial platform. Data indicate that the global population of patients with CKD has increased from 905.2 million in 2019 to 1.1 billion in 2024 and is projected to exceed 1.2 billion by 2030 and 1.5 billion by 2035. Over the same period, the number of patients with SHPT also continued to increase and is expected to reach approximately 189.9 million by 2030 and 221.7 million by 2035, highlighting a substantial and growing unmet medical need.*

— A Phase III study has been launched across more than 100 sites nationwide, aiming to enroll approximately 424 patients and specifically targeting individuals with SHPT undergoing maintenance hemodialysis due to chronic kidney disease (the relevant development expenses will be covered by Micot).

AUTOIMMUNE DISEASE PORTFOLIO

VELSIPITY® (etrasimod) *is a once-daily, oral, sphingosine 1-phosphate (S1P) receptor modulator that selectively binds with S1P receptor subtypes 1, 4, and 5. Regulatory approvals have been granted in US, EU, Canada, Japan, Australia, Singapore, UK, Switzerland, Israel, Hong Kong SAR, China, the Macao SAR, China and Chinese Mainland for VELSIPITY® in ulcerative colitis.*

— In February 2025, the data from the maintenance phase of the multi-center Phase III clinical study of etrasimod in Asia were presented at the 20th European Crohn's and Colitis Organization Congress (ECCO 2025). To date, etrasimod is the only advanced therapy for UC that has completed a large-scale, randomized, controlled pivotal study in the Asia-Pacific region. The ES101002 study provides robust evidence supporting the use of etrasimod in patients with UC and confirms the significant clinical and endoscopic benefits after 40 weeks of maintenance treatment with 2 mg etrasimod, including mucosal healing, endoscopic normalization, and histological remission. The safety profile of etrasimod remained consistent with previous studies, with no new safety findings observed.

— In March 2025, the localized production project for etrasimod was officially launched at the Jiashan factory. With a total investment of RMB70 million, the project is expected to reach an annual production capacity of 50 million tablets once fully operational. The expected supply scope will cover Everest's licensing regions.

— In April 2025, the Department of Health of the Government of the Hong Kong Special Administrative Region, China, officially approved the NDA for VELSIPITY® for the treatment of adult patients with moderately to severely active UC.

— In June 2025, the Ministry of Food and Drug Safety (MFDS) of South Korea officially accepted the NDA for VELSIPITY® for the treatment of patients with moderate-to-severely active UC.

— In July 2025, four-year global safety follow-up data for etrasimod in the treatment of patients with moderate-to-severe active UC were presented at the 13th Annual Congress of the Asian Organization for Crohn's and Colitis (AOCC 2025). These data were previously presented at the European Crohn's and Colitis Organization (ECCO) Congress and the Digestive Disease Week (DDW) conference. The data demonstrated a favorable long-term safety and tolerability profile for etrasimod in patients with moderately to severely active UC, with no changes in safety characteristics among patients receiving long-term treatment of etrasimod.

— In August 2025, China Taiwan Food Drug Administration (TFDA) officially accepted the NDA for VELSIPITY® for the treatment of patients with moderately to severely active UC. The regulatory acceptance in South Korea and Taiwan, China marks a significant milestone in VELSIPITY®'s market access across Asia, following prior approvals in Macau, Singapore, and China Hong Kong.

— In August 2025, etrasimod was included in the 2025 ACG Clinical Guideline: Ulcerative Colitis in Adults. This significant advancement not only reflects the high recognition by an international authoritative medical guideline of the clinical value of etrasimod, but also further demonstrates its potential in addressing the unmet medical needs of UC patients, providing a new treatment option for UC patients worldwide.

— In September 2025, results from the Asian multicenter Phase III ENLIGHT UC study (ES101002) of VELSIPITY® (etrasimod) were published in *The Lancet Gastroenterology & Hepatology*, demonstrating statistically significant and clinically meaningful improvements across all primary and secondary endpoints during induction and maintenance, including a 52-week mucosal healing rate of 51.9% and mucosal normalization rate of 45.5%, with a safety profile consistent with prior studies and no new safety signals observed.

Post-Reporting Period achievements and expected milestones:

— In February 2026, China's National Medical Products Administration approved VELSIPITY® for the treatment of adult patients with moderately to severely active UC who have had an inadequate response to, lost response to, or were intolerant to either conventional therapy or a biologic agent. As a next-generation selective S1P receptor modulator, VELSIPITY® is an oral, once-daily therapy designed to support rapid onset of action and durable clinical remission, as well as mucosal healing, in this patient population.

— In March 2026, Everest announced the commercial launch of VELSIPITY® in Chinese Mainland, highlighted by the issuance of the first prescription at The First Affiliated Hospital of Sun Yat-sen University, marking a milestone in patient access in the region.

— We expect to receive NDA approvals in China Taiwan and South Korea in 2026.

— We plan to participate in NRDL negotiations for VELSIPITY® in the second half of 2026.

CARDIOVASCULAR-METABOLIC PORTFOLIO

Everest expanded into cardiovascular disease through strategic agreements with Hasten Biopharmaceutical in December 2025, establishing a new therapeutic vertical that leverages the Company's existing commercial platform and adds a late-stage innovative asset to the pipeline. The cardiovascular-metabolic portfolio includes a mix of mature, revenue-generating products (Blopress®, Edarbi®, Basen®) supported through a commercialization services arrangement, as well as lerodalcibep-liga, an FDA-approved PCSK9 inhibitor licensed for development and commercialization in Greater China. This collaboration will fully leverage the Company's existing commercial platform to establish full life-cycle commercialization capabilities and build a foundational product portfolio in high-potential therapeutic areas. In March 2026, Everest also acquired the rights to develop, manufacture, and commercialize CARDAMYST™ (etripamil) nasal spray, a novel, rapid-acting calcium channel blocker, in Greater China, further expanding the product portfolio in this therapeutic area.

LEROCHOL™ (lerodalcibep-liga) *is a novel, small protein-binding, third-generation PCSK9 inhibitor developed as a convenient, once-monthly, single small-volume subcutaneous injection with extended room temperature stability up to three months. These features make LEROCHOL™ a unique alternative to other PCSK9 inhibitors. In the comprehensive global Phase III LIBerate Clinical Trial Program, LEROCHOL™ demonstrated sustained LDL-C reductions of ≥60% in patients with, or at very-high or high risk of cardiovascular disease (CVD) and 59% in those with heterozygous familial hypercholesterolemia (HeFH) who have more severe LDL-C elevations.*

— In December 2025, Everest announced that its licensing partner, LIB Therapeutics, received U.S. FDA approval for LEROCHOL™ (lerodalcibep-liga), a PCSK9 inhibitor approved as an adjunct to diet and exercise to reduce low-density lipoprotein cholesterol (LDL-C) in adults with hypercholesterolemia, including HeFH. The approval was based on data from the global Phase 3 LIBerate clinical program and represents an important regulatory milestone supporting the advancement of lerodalcibep, for which Everest holds exclusive development and commercialization rights in Greater China.

Post-Reporting Period achievements and expected milestones:

— We expect to submit a BLA for lerodalcibep in China in the first half of 2026.

CARDAMYST™ (etripamil) Nasal Spray *is a novel calcium channel blocker developed by Milestone Pharmaceuticals Inc. It is designed as a rapid-response therapy for episodic cardiovascular conditions. As a self-administered nasal spray, etripamil has the potential to shift treatment from emergency department-based care to a patient-managed setting. In May 2021, JIXING (now CORXEL) and Milestone entered into an exclusive license agreement for the development and commercialization of investigational drug etripamil for PSVT and other cardiovascular indications in Greater China. In December 2025, CARDAMYST was approved by the U.S. Food and Drug Administration (FDA), becoming the first and only self-administered nasal spray in more than 30 years capable of converting paroxysmal supraventricular tachycardia (PSVT) to sinus rhythm in adults.*

Post-Reporting Period achievements and expected milestones:

— In March 2026, Everest announced that it has entered into an Asset Purchase Agreement with Corxel Pharmaceuticals Hong Kong Limited. Under the agreement, the Company has acquired the rights to develop, manufacture, and commercialize CARDAMYST™ (etripamil) nasal spray in Greater China, including Chinese Mainland, Hong Kong, Macao and Taiwan region. In China, the NDA for etripamil nasal spray was accepted by NMPA on 17 January 2025 and is expected to receive approval in the third quarter of 2026.

CRITICAL CARE PORTFOLIO

Following the strategic collaboration with Hasten, Everest also expanded its critical care portfolio, strengthening its presence in hospital settings and further leveraging its established commercial infrastructure. In anti-infectives, the portfolio includes XERAVA®, Rocephin® (ceftriaxone) and cefepime-taniborbactam, addressing a broad range of bacterial infections from mild to moderate to severe, as well as infections caused by multidrug-resistant bacteria. XERAVA® serves as the Company's cornerstone hospital-based anti-infective, complementing widely used essential medicines such as Rocephin®, a third-generation cephalosporin included in China's National Essential Medicines List. The critical care portfolio also includes therapies such as Stilamin® (somatostatin) for the management of acute gastrointestinal bleeding and Ebrantil® (urapidil) for rapid blood pressure control, supporting the comprehensive care of critically ill patients.

XERAVA® (eravacycline) *is a novel, fully synthetic, broad-spectrum, fluorocycline, parenteral antibiotic of the tetracycline class that has shown broad in vitro activity against Gram-negative, Gram-positive and anaerobic pathogens, including those pathogens that have acquired multidrug resistance (MDR) and are prevalent in China. XERAVA® is currently approved for the treatment of complicated intra-abdominal infections (cIAI) in the US, EU, UK, Singapore, Chinese Mainland, Hong Kong, and Taiwan. XERAVA® was licensed to Everest by Tetraphase Pharmaceuticals, Inc., an affiliate of Innoviva Specialty Therapeutics, Inc.*

— In June 2025, the *Chinese Journal of Laboratory Medicine* officially published "Specifications for Antimicrobial Susceptibility Testing of Eravacycline (2025)", providing standardized protocols for conducting and interpreting the in vitro antimicrobial susceptibility testing (AST) of eravacycline. These protocols support rational clinical use of eravacycline based on standardized evidence and enhance the accuracy and consistency of susceptibility testing results across clinical microbiology laboratories, thereby better addressing the challenges of treating multidrug-resistant (MDR) and complicated infections. The Specifications were jointly developed by the Expert Committee of the National Health Commission on Antimicrobial Susceptibility Testing and Standard Research (the "ChinaCAST"), the Clinical Microbiology Laboratory Specialized Committee of Chinese Hospital Association, and the Chinese Committee on Antimicrobial Susceptibility Testing, affiliated to the European Committee on Antimicrobial Susceptibility Testing (EUCAST). This publication complements the China clinical breakpoints for eravacycline released by ChinaCAST in 2024, creating a unified technical framework that integrates breakpoint definitions with standardized testing protocols.

Post-Reporting Period achievements and expected milestones:

— We expect to initiate NRDL negotiations for XERAVA® in the second half of 2026 and advance local production plans.

OPHTHALMOLOGY PORTFOLIO

Everest has expanded its pipeline into ophthalmology with VIS-101, a novel bifunctional biologic targeting VEGF-A and ANG-2 for patients with wet age-related macular degeneration, diabetic macular edema, and retinal vein occlusion. The addition of VIS-101 marks the Company's entry into a new therapeutic area with significant unmet medical need and reflects its strategy to selectively in-license late-stage assets while leveraging established clinical development and commercialization capabilities across Greater China and selected Asian markets. VIS-101 has completed initial safety and dose-escalation studies in both the United States and China, and is currently completing a randomized, dose-ranging Phase II study in China.

— In October 2025, Everest acquired exclusive rights to develop, manufacture, and commercialize VIS-101 in Greater China and selected Asian markets, expanding the Company's presence into ophthalmology. Under the assigned exclusive license, Everest Medicines made an upfront payment of US$7 million (equivalent to approximately RMB49.7 million) and will reimburse up to RMB24.0 million for prior expenses, as well as pay up to US$89.0 million (equivalent to approximately RMB632.0 million) in potential milestones, plus tiered royalties on net sales.

Post-Reporting Period achievements and expected milestones:

— In March 2026, positive topline results from the Phase IIa for VIS-101 in wet-aged macular degeneration demonstrated rapid, robust and durable treatment responses, including mean BCVA improvements of >10 ETDRS letters and favorable safety, supporting advancement into a Phase IIb dose-determining study expected to begin in the second half of 2026.

mRNA PLATFORM

As an important part of Everest's "dual-engine" strategy, Everest has built an industry-leading, fully integrated, and localized AI+mRNA platform that accelerates mRNA product development in mRNA therapeutic cancer vaccines and the in vivo mRNA CAR-T platform.

Among our mRNA cancer vaccines, EVM16 is built upon a proprietary AI-based neoantigen prediction algorithm, EVER-NEO-1, and the third generation mRNA sequence optimization model. mRNA sequences encoding each patient's tumor-specific neoantigens are encapsulated into lipid nanoparticles (LNP) and administered to the patient to elicit an antigen specific T cell immune response. Preclinical studies of EVM16 in mouse tumor models demonstrated efficacy and synergistic effects when combined with a PD-1 antibody.

EVM14, an off-the-shelf therapeutic mRNA cancer vaccine, targets five tumor-associated antigens and is applicable across multiple types of squamous cell carcinomas. Preclinical studies have demonstrated its potential to induce immune memory and reduce tumor recurrence. EVM14 has received U.S. Food and Drug Administration (FDA) Investigational New Drug (IND) clearance and IND approval from China's NMPA, making it Everest's first internally developed therapeutic mRNA cancer vaccine to obtain IND approvals in both the U.S. and China.

EVM15, an off-the-shelf immunomodulatory (IM) cancer vaccine designed to address immunosuppressive tumor biology and enhance antitumor immune responses, achieved preclinical proof of concept in 2025.

EVM18, the first product from Everest's mRNA in vivo CAR-T platform, can be developed for both cancer and autoimmune diseases, and is built upon its proprietary targeted lipid nanoparticle (tLNP) delivery system with promising results demonstrated in both humanized mouse models and non-human primates. The in vivo CAR-T platform offers key advantages over traditional CAR-T therapy including off-the-shelf availability, lymphodepletion-free administration, and dose control. EVM18 has achieved preclinical candidate selection and initiated clinical development.

— In March 2025, Everest announced that the first patient has been dosed with the Company's internally developed personalized mRNA cancer vaccine EVM16 at Peking University Cancer Hospital in the investigator-initiated clinical trial (IIT) EVM16CX01. EVM16CX01 is the first-in-human trial for EVM16, conducted jointly at Peking University Cancer Hospital and Fudan University Shanghai Cancer center, to assess the safety, tolerability, immunogenicity, and preliminary efficacy of EVM16 as a monotherapy and in combination with a PD-1 antibody in patients with advanced or recurrent solid tumors.

Business Highlights

— In March 2025, Everest announced that the U.S. FDA has cleared its IND application for EVM14, a Tumor-Associated Antigen (TAA) vaccine. EVM14 is Everest's first internally developed mRNA therapeutic vaccine to receive FDA IND approval, marking a significant milestone in the Company's efforts to develop innovative mRNA therapeutics in oncology.

— In June 2025, Everest announced the successful release of the first clinical batch of EVM14 from its Jiashan manufacturing site, Zhejiang Province in China. This batch will support the clinical trials of EVM14 in both China and the United States.

— In June 2025, Everest hosted the "2025 Everest Medicines mRNA Platform R&D Day" in Shanghai. The event unveiled significant advancements in the Company's proprietary AI+mRNA platform and highlighted key cancer and autoimmune pipeline programs developed through the platform, substantially progressing the Company's "dual-engine" strategy.

— In July 2025, the IND application for EVM14 was officially accepted by China's Center of Drug Evaluation (CDE).

— In October 2025, Everest announced that China's National Medical Products Administration approved the IND application for EVM14, making it the Company's first internally developed therapeutic mRNA cancer vaccine to receive IND approvals in both China and the United States.

— In October 2025, Everest announced that the first patient had been enrolled in a global multi-center Phase I clinical trial of its TAA cancer vaccine, EVM14, at NEXT Oncology Virginia in the United States. This marks an important clinical milestone following EVM14's IND approvals by both the U.S. FDA and China's NMPA.

— In November 2025, Everest announced that the first patient had received the first dose of the EVM14 injection in a global, multi-center Phase I clinical trial of EVM14 at NEXT Oncology Virginia in the United States, marking an important milestone in its global clinical development.

Post-Reporting Period achievements and expected milestones:

— We expect to report IIT Phase 1a data for EVM16, which has completed dose escalation of low-dose, medium-dose, and high-dose cohorts, at an international medical conference in 1H 2026 and initiate an IIT Phase 1b trial later in 2026 to further advance clinical development.

— We expect to conduct clinical studies of EVM18 through multiple IITs across various autoimmune indications and pursue global IND filing in 2026.

— We expect to complete dose escalation in the Phase 1 clinical trial for EVM14 in 2026.

— The Company plans to advance IND preparation work for EVM15 in 2026.

KEY CORPORATE DEVELOPMENTS

— In April 2025, Everest secured removal of the "B" marker affixed to the Company's stock short name, which went into effect from 2 May 2025. The removal of the "B" marker was granted by the Stock Exchange. The removal of the "B" marker reflects a comprehensive evaluation of Everest Medicines' robust R&D pipeline, commercialization capabilities, and overall business fundamentals.

— In July 2025, Everest successfully completed a top up placement of approximately 22.56 million shares, raising net proceeds of approximately HK$1.55 billion. The transaction was significantly oversubscribed and attracted strong interest from leading international long-only investors, reflecting broad confidence in the Company's strategic direction and execution capabilities. We expect to use the proceeds to accelerate the development of our innovative pipeline and our proprietary AI-enabled mRNA platform, while advancing the commercialization of our existing portfolio. With a strengthened capital base, we are poised to drive both commercialization and innovation, delivering greater value to patients and shareholders.

— In August 2025, Everest made a strategic equity investment in I-Mab, a company listed on the Nasdaq Global Market. With an increased investment of US$30.9 million, Everest now owns approximately 16.1% of the total issued share capital of I-Mab, inclusive of ordinary shares already held by Everest, making us I-Mab's largest single shareholder. I-Mab has subsequently transitioned to become NovaBridge Biosciences (Nasdaq: NBP) and plans a Hong Kong initial public offering (IPO) to become dual listed on the Nasdaq and Hong Kong stock exchanges.

— In October 2025, Mr. Yifang Wu was appointed Chairman of the Board of Everest Medicines, succeeding Mr. Wei Fu, who was appointed Honorary Chairman of the Board, as part of a leadership transition to further strengthen the Company. Mr. Wu brings over three decades of deep and distinguished experience in the pharmaceutical industry.

— In December 2025, Everest announced the launch of its 2030 Strategy, outlining a comprehensive five-year roadmap to drive sustainable growth. Under this strategy, the Company aims to further deepen its product pipeline, maximize the value of its commercial platform, and advance the globalization of its research and development and commercialization capabilities. In parallel, the Company announced that certain Directors and a substantial shareholder increased their shareholdings in Everest Medicines through open-market purchases.

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

Management Discussion and Analysis

OVERVIEW

During the year ended 31 December 2025, Everest Medicines continued to advance its strategy as a fully integrated biopharmaceutical company spanning discovery, licensing, clinical development, manufacturing, and commercialization of differentiated therapies addressing significant unmet medical needs. Since its founding in 2017, the Company has built a diversified portfolio of commercial-stage products and clinical-stage assets across nephrology, autoimmune and infectious disease, supported by a scalable commercialization platform and expanding in-house research and development capabilities.

In 2025, Everest made substantial progress across its commercial portfolio and clinical pipeline, led by continued regulatory, commercialization, and clinical practice momentum for NEFECON®, the Company's anchor product in IgA nephropathy. During the year, we further strengthened NEFECON®'s position as a foundational etiological treatment through full approvals across Everest's licensing territories, guideline inclusion, and growing real-world evidence, while advancing multiple mid- and late-stage programs across nephrology, autoimmune, and infectious disease indications.

Everest also expanded its portfolio and commercial platform through selective business development, broadening its presence into ophthalmology, cardiovascular and critical care therapeutic areas while enhancing utilization of its established commercial infrastructure. In parallel, Everest continued to strengthen its innovation engine by advancing its proprietary AI-enabled mRNA platform, including personalized and off-the-shelf cancer vaccines and an in vivo CAR-T program, and by further investing in discovery, translational research, and manufacturing capabilities to support future global development. With a strengthened capital base, a growing commercial footprint, and expanding internal R&D platforms, Everest remains focused on disciplined execution across the full value chain to support continued growth and long-term value creation.

PRODUCT PIPELINE

Everest Medicines has established a strong, diversified, and increasingly late-stage product pipeline spanning CKM (cardiovascular, kidney, and metabolic), autoimmune, ophthalmology and critical care diseases as well as an mRNA platform, supported by a combination of in-licensed assets and internally developed programs, which include potentially first-in-class or best-in-class candidates. These programs encompass short-term, mid-term and long-term opportunities that are collectively expected to drive meaningful revenue growth for the Company and create long-term value for its shareholders.

The following table summarizes our key pipeline and the development status of each drug and vaccine candidate as of the Latest Practicable Date.

Molecule (Modality)	Partner	Commercial Right	Indication	Everest Clinical Status	Global Clinical Status
				Pre-clinical / Phase 1 / Phase 2 / Phase 3 / BLA/NDA Application / Approval	
NEFECON®	AsahiKASEI	Greater China, Singapore, South Korea	IgAN	Approved in Greater China, South Korea and Singapore	Approved in US, EU
XERAVA®	INNOVIVA TETRAPHASE	Greater China, South Korea, SE Asia	cIAI	Approved in Chinese Mainland, Hong Kong, Taiwan and Singapore	Approved in US, EU
VELSIPITY®	Pfizer	Greater China, South Korea, Singapore	UC	Approved in Chinese Mainland, Macau, Hong Kong and Singapore	Approved in US, EU
CARDAMYST®	Milestone PHARMACEUTICALS	Greater China	PSVT	NMPA NDA approval expected in 3Q2026	Approved in US
LEROCHOL®	LIB THERAPEUTICS	Greater China	Adult Hypercholesterolemia	NMPA BLA submission expected in 1H2026	Approved in US
Cefepime taniborbactam	Venatorx PHARMACEUTICALS	Greater China, South Korea, SE Asia	cUTI	Priority review for Chinese Mainland	Priority review granted in US
MT1013	Micot	Greater China	SHPT	Phase 3	Phase 3
VIS-101	NovaBridge / AskGene	Greater China, South Korea, SE Asia	nAMD	Phase 2	Phase 2
Civorebrutinib	EVOPOINT Biosciences	Worldwide	PMN	Phase 1b/2a	Phase 1b/2a
	SINOMAB		IgAN/FSGS/MCD	Phase 2	Phase 2
In vivo CAR-T	**In-house**	Worldwide	Cancer & Autoimmune	IIT	IIT
Personalized cancer vaccine	**In-house**	Worldwide	Cancer	IIT	IIT
TAA cancer vaccine	**In-house**	Worldwide	Cancer	Phase 1	Phase 1
Immune-modulatory cancer vaccine	**In-house**	Worldwide	Cancer	Pre-IND	Pre-IND

Abbreviations: IgAN=Immunoglobulin A Nephropathy; cIAI=complicated Intra-abdominal Infections; UC=Ulcerative Colitis; cUTI=complicated Urinary Tract Infections; CD=Crohn's Disease; SHPT=Secondary Hyperparathyroidism; nAMD=neovascular Age-related Macular Degeneration; PMN=Primary Membranous Nephropathy; FSGS=Focal Segmental Glomerulosclerosis; MCD=Minimal Change Disease

NDA=new drug application; SE Asia=Southeast Asia; US=United States; Greater China=Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan.

BUSINESS REVIEW

Pipeline Outlook

In 2025, we continued to advance our pipeline across multiple therapeutic areas, achieving meaningful progress across late-stage clinical programs, mid-stage assets, and internally developed platforms, while further strengthening the breadth and maturity of our portfolio.

In renal disease, NEFECON® achieved a significant regulatory milestone in 2025 with full approvals granted across Company's entire licensing territories including Greater China and South Korea. This achievement further validates its outstanding clinical value and strengthens NEFECON®'s position as a foundational etiological therapy for IgA nephropathy across Asia.

In autoimmune disease, VELSIPITY® (etrasimod) also advanced through key regulatory milestones during the year, receiving NDA approval in China Hong Kong and NDA acceptance in South Korea and China Taiwan. These developments support the continued expansion of VELSIPITY®'s footprint across Asia. In February 2026, VELSIPITY® was approved by China's NMPA for the treatment of moderately to severely active ulcerative colitis, marking the first chapter in Everest's commercial presence in autoimmune disease.

Within our clinical-stage renal portfolio, we continued to make progress in the ongoing Phase 1b/2a clinical trial of EVER001, with positive efficacy and safety results supporting its potential across autoimmune-driven renal diseases. Building on these results, in 2026 we plan to initiate a Phase II basket trial evaluating EVER001 across additional indications, including IgAN, focal segmental glomerulosclerosis (FSGS), and minimal change disease (MCD).

In 2025, we further expanded our late-stage pipeline through targeted business development, adding new assets in ophthalmology, cardiovascular and renal diseases. This included the in-licensing of VIS-101, a novel bifunctional biologic that demonstrated positive topline results showing rapid, robust and durable treatment responses from a Phase IIa study in wet-aged macular degeneration, including mean BCVA improvements of >10 ETDRS letters and favorable safety, supporting advancement into a Phase IIb dose-determining study expected to begin in the second half of 2026. In December 2025, Everest's licensing partner, LIB Therapeutics, received U.S. Food and Drug Administration (FDA) approval for LEROCHOL™ (lerodalcibep-liga) for the treatment of adults with hypercholesterolemia, including heterozygous familial hypercholesterolemia (HeFH), providing important external validation of the clinical profile of this third-generation PCSK9 inhibitor. The Company plans to submit a BLA for LEROCHOL™ in Greater China in the first half of 2026. In March 2026, we acquired the rights to develop, manufacture, and commercialize CARDAMYST™ (etripamil) nasal spray in Greater China. The NDA for etripamil nasal spray, a novel, rapid-acting calcium channel blocker as administered as needed via a convenient, portable nasal spray, was accepted by China's NMPA in January 2025 and is expected to receive approval in the third quarter of 2026.

Among our internally developed mRNA programs, our personalized cancer vaccine (PCV), EVM16, advanced through dose escalation of an investigator-initiated trial (IIT) Phase Ia study in 2025, completing evaluation of low-dose, medium-dose, and high-dose cohorts. For our off-the-shelf tumor-associated antigen (TAA) mRNA cancer vaccine, EVM14, we received IND approvals from the U.S. FDA and China's CDE in March and August 2025, respectively, marking Everest's first dual IND approvals in the United States and China. We also dosed the first patient in the United States in November 2025. In addition, our mRNA in vivo CAR-T program, EVM18, achieved preclinical candidate selection and initiated clinical development in 2025.

Commercialization

Everest has developed a fully integrated commercialization platform that combines omnichannel commercial capabilities with end-to-end product lifecycle management. Our commercial portfolio includes NEFECON®, XERAVA®, and VELSIPITY®, three products with differentiated clinical profiles and meaningful long-term revenue potential. Through the strategic partnership with Hasten, Everest will provide Contract Sales Organization (CSO) services for its six mature products in critical care and cardiovascular/metabolic therapeutic areas, enhancing the efficient utilization of the existing commercial platform.

NEFECON®

Following its inclusion in China's NRDL effective 1 January 2025, NEFECON® experienced a significant acceleration in sales and became the first non-oncology product to generate revenues exceeding RMB1 billion in its first year following NRDL inclusion. This performance reflects disciplined execution across market access, commercial coverage, and physician engagement.

During 2025, we expanded NEFECON® coverage to approximately 1,200 core hospitals, representing over 80% of the addressable IgAN market, supported by a dedicated commercial team of approximately 190 sales representatives. NRDL pricing was fully implemented across all core hospitals by mid-year, either through formal hospital listings or dual-channel pharmacy pathways, substantially improving patient affordability and access.

Clinical adoption was further supported by the official publication of the KDIGO 2025 Clinical Practice Guideline and China's first national IgA nephropathy guideline, both of which recommend NEFECON® as a foundational, first-line etiological treatment targeting the underlying disease mechanism. The guidelines recommend a 9-month course of NEFECON® for patients with primary IgAN who are at risk of disease progression, irrespective of proteinuria levels. Once short-term treatment goals, namely proteinuria remission (defined as proteinuria < 0.5 g/day, ideally < 0.3 g/day) and stable renal function, are achieved, low-dose maintenance or repeated safe and effective immunotherapy can be considered together with supportive care to ensure that eGFR declines by less than 1 ml/min per year.

In parallel, we initiated a unified disease management and marketing strategy of "Treat the Cause, Treat Early, Treat Long-Term," supported by data from our global Phase 3 study and an expanding body of real-world evidence. These efforts further reinforced physician confidence in NEFECON® as a cornerstone therapy for IgAN and supported broader and earlier utilization in clinical practice.

In addition, more than 40 articles on NEFECON® were published in authoritative medical journals including "Immunomodulatory effects and research progresses of budesonide enteric-coated capsules in IgA nephropathy" and "Predictive Value of Gd-IgA1, Poly-IgA in the Treatment of IgA Nephropathy with Targeted Release Formulation-Budesonide" by Prof. Lv Jicheng (Department of Nephrology, Peking University First Hospital), "Efficacy and safety of TRF-budesonide in IgA nephropathy treatment: a meta-analysis" by Prof. Mao Zhiguo (Division of Nephrology, Department of Nephrology, Shanghai Changzheng Hospital), "Recent Development in the Diagnosis and Treatment of IgA Nephropathy" by Prof. Chen Wei (Department of Nephrology, the First Affiliated Hospital of Sun Yat-sen University) and "A Targeted-Release Formulation of Budesonide for the Treatment of IgA Nephropathy Patients With Severe Renal Impairment" by Prof. Jingyuan Xie (Department of Nephrology, School of Medicine, Ruijin Hospital, Shanghai Jiao Tong University).

XERAVA®:

Within our anti-infective franchise, we continued to drive deeper penetration of XERAVA® across approximately 300 core hospitals with high commercial potential, with expanding contribution from ICU and hematology departments. After the Specifications for Antimicrobial Susceptibility Testing of Eravacycline (2025) were officially published in the Chinese Journal of Laboratory Medicine, the Chinese breakpoints for eravacycline were fully accepted by CDE and reflected in the product label. The Specifications aimed to offer standardized protocols for microbiology laboratory professionals and clinicians to conduct and interpret in vitro antimicrobial susceptibility testing (AST) of eravacycline. It supports rational clinical use of eravacycline based on standardized evidence and enhances the accuracy and consistency of susceptibility testing results across clinical microbiology laboratories. Last year, more than 20 articles on eravacycline were published in domestic and international medical journals, and eravacycline was included in important guidelines including the Chinese expert consensus on the diagnosis, treatment, and prevention of Carbapenem-Resistant Enterobacteriaceae (CRE) infection in patients with hematological malignancies (2025), Expert consensus on the diagnosis and treatment of carbapenem-resistant organisms in complex intra-abdominal infection (2025 edition) and Expert consensus on the diagnosis, treatment, prevention, and control of hypervirulent carbapenem-resistant Klebsiella pneumoniae infection.

In parallel, we further optimized our contract sales organization (CSO) model to extend coverage in non-core and underserved markets, improving reach while maintaining cost efficiency.

VELSIPITY®

For VELSIPITY®, we continued to prepare for broader commercialization in Chinese Mainland. During 2025, VELSIPITY® became available in 12 medical institutions under the “Hong Kong and Macau Medicine and Equipment Connect” policy, providing early clinical access and paving the way for the NDA approval by China’s NMPA in February 2026. To support physician adoption and clinical familiarity, we initiated real-world studies in the Greater Bay Area to generate additional evidence to inform clinical use.

Following its inclusion in the American Gastroenterological Association (AGA) clinical practice guideline in December 2024, etrasimod was included in the American College of Gastroenterology (ACG) clinical guidelines in June 2025, strongly recommended for induction of remission in patients with moderately to severely active UC, and for maintenance of remission as compared with no treatment after induction of remission with these agents. The updated guidelines were developed by the American College of Gastroenterology (ACG) including the latest evidence from the past five years. They provide a comprehensive summary of new approaches and advances in the treatment and prevention of complications in UC, with the goal of offering clinicians standardized and evidence-based recommendations to better manage patients with varying degrees of disease severity. The recommendations highlight the recognition of etrasimod by international authoritative medical guidelines.

In addition, four articles on etrasimod were published in international and domestic medical publications including the publication of the results of Asian multicenter Phase III ENLIGHT UC study in the prestigious international journal The Lancet Gastroenterology & Hepatology, marking the global recognition of this next-generation selective S1P receptor modulator’s efficacy in Asian patients.

To strengthen long-term supply reliability and support future commercial expansion, we also commenced a localized production project at our Jiashan manufacturing facility, with a total investment of RMB70 million and an expected annual production capacity of up to 5 million bottles once fully operational.

In December 2025, the Company entered into strategic cooperation with Hasten including providing commercialization services for six mature products across three major therapeutic areas: Rocephin®(ceftriaxone), Stilamin®(somatostatin), and Ebrantil® (urapidil) in critical care; Edarbi® (azilsartan), Blopress® (candesartan) in cardiovascular disease; and Basen® (voglibose) in metabolic disorders. Everest will receive service fees from Hasten calculated by multiplying the net sales of each product for the applicable quarter by the applicable rate, which ranges from 20% to 55%.

Commercialization Outlook

Looking ahead to 2026, we remain focused on deepening commercial execution across our core franchises while expanding market access and preparing for the next phase of growth across our portfolio.

NEFECON® is expected to remain a key near-term growth driver in 2026, as it continues to be the only NRDL-covered medicine indicated for IgAN. Building on the strong momentum achieved following NRDL inclusion, we plan to further expand coverage across both core and non-core markets. Core hospital coverage is expected to increase to approximately 1,800 institutions, with broader reach extending to approximately 2,500 hospitals through collaboration with contract sales organizations, together covering more than 90% of the addressable market. This expansion will be supported by a continued build-out of our sales organization to over 300 representatives. In parallel, we will further reinforce physician and patient awareness of our disease management strategy, "Treat the Cause, Treat Early, Treat Long-Term," through targeted education initiatives and the generation of additional real-world evidence.

For XERAVA®, we will continue to drive deeper penetration within core hospitals, particularly those with significant market potential and growing utilization in intensive care-related departments, such as respiratory and surgical intensive care units. We also plan to further optimize our CSO model in non-core markets to broaden access. Meanwhile, we will continue to accumulate real-world evidence, further strengthening XERAVA®'s positioning as a fundamental option in empirical multi-drug resistant bacteria infections. In addition, we expect to initiate preparatory work for NRDL negotiations in the second half of 2026 and advance localized production planning to support longer-term supply and cost efficiency.

For VELSIPITY®, following regulatory approval in Chinese Mainland, we achieved the issuance of the first prescription within 21 working days, highlighting our efficient execution. In China, the incidence and prevalence of UC are accelerating, with a clear trend toward younger patients. The patient population is projected to increase from approximately 0.98 million in 2025 to 1.50 million by 2031. VELSIPITY® offers the potential for rapid onset of action, and long-lasting clinical remission and mucosal healing through an oral, once-daily regimen for adult patients with moderately to severely active UC. Guided by recommendations from international guidelines, we believe that VELSIPITY® has the potential to become another blockbuster launched by the company following NEFECON®. Commercial priorities for the year will focus on multi-channel disease and product education initiatives, continued real-world evidence generation, buildup of a professional sales team, and preparation for NRDL negotiations in the second half of 2026. In parallel, we will continue advancing the localized production project, with the objective of supporting operational readiness in 2027.

In addition to our proprietary portfolio, we expect continued contribution from products commercialized under our collaboration agreements, including the cardiovascular and critical care portfolio under the Hasten partnership, particularly Rocephin®, a widely recognized third-generation cephalosporin in clinical practice included in China's National Essential Medicines List. As a treatment for community-acquired infections, Rocephin® can complement and efficiently synergize with XERAVA®, which treats severe multidrug-resistant infections in hospital settings.

Collectively, these initiatives are intended to strengthen the scalability and sustainability of our commercial platform while supporting continued revenue growth across our expanding portfolio.

Business Development

In December 2025, the Company announced the launch of its 2030 Strategy, outlining a comprehensive five-year roadmap to drive sustainable growth. Under this strategy, the Company aims to further deepen its product pipeline and maximize the value of its commercial platform. By 2030, Everest targets annual revenue exceeding RMB15 billion, including approximately RMB9 billion from its existing pipeline and RMB6 billion from newly in-licensed assets, while also exploring potential out-licensing opportunities.

During 2025, Everest advanced this business development strategy through selective transactions that enhance its commercial platform, expand therapeutic area coverage, and strengthen long-term growth optionality.

In October, the Company acquired an exclusive license from Visara, Inc., a subsidiary of NovaBridge Biosciences, to develop, manufacture and commercialize VIS-101, in Greater China, Singapore, South Korea and certain Southeast Asian countries, marking its entry into a new therapeutic area with significant unmet medical need. VIS-101 is a novel bifunctional biologic targeting VEGF-A and ANG-2 for patients with wet age-related macular degeneration, diabetic macular edema, and retinal vein occlusion.

In December, the Company entered into strategic agreements with Hasten, including a commercialization services arrangement covering multiple mature assets and an exclusive Greater China license for lerodalcibep. These transactions are expected to improve utilization of Everest's existing commercial infrastructure, establish cardiovascular disease and critical care therapeutic verticals, and add a late-stage asset to the Company's pipeline with near-term regulatory milestones.

In February 2026, Everest entered into an exclusive license agreement with Micot to commercialize MT1013 in China and Asia-Pacific region (excluding Japan). MT1013 is a first-in-class dual-targeting receptor agonist polypeptide being developed for secondary hyperparathyroidism (SHPT) in patients with chronic kidney disease. This collaboration expands Everest's nephrology portfolio beyond IgA nephropathy into broader chronic kidney disease indications and is expected to leverage the Company's established renal commercial platform.

In March 2026, the Company entered into an asset purchase agreement with Corxel Pharmaceuticals Hong Kong Limited to acquire the rights to develop, manufacture, and commercialize CARDAMYST™ (etripamil) nasal spray in Greater China. further expanding the product portfolio in cardiovascular disease. CARDAMYST™ nasal spray is a novel, rapid-acting calcium channel blocker as administered as needed via a convenient, portable nasal spray. In addition to its approved indication for PSVT in the U.S., it is also under clinical development for atrial fibrillation with rapid ventricular response (AFib-RVR).

Looking ahead to 2026, Everest Medicines will continue to execute a disciplined business development strategy aligned with its 2030 roadmap. It will continue to focus on core therapeutic areas, including CKM (cardiovascular, kidney, and metabolic), autoimmune, ophthalmology and critical care diseases, while selectively expanding into additional high-value therapeutic areas with blockbuster potential. The Company will prioritize late-stage and near-commercial assets that can leverage its established and scalable commercialization platform in China and selected Asian markets. Transactions completed in 2025 reflect this approach and have expanded the Company's late-stage pipeline and commercial reach, while improving utilization and productivity of its existing commercial infrastructure.

On the out-licensing and partnering front, Everest plans to actively pursue global partnership opportunities for internally developed assets with global rights. These include EVER001 (civorebrutinib), supported by completed one-year follow-up data from a Phase 1b/2a clinical study, as well as the Company's mRNA in vivo CAR-T program. The Company believes that strategic global collaborations can accelerate clinical development and regulatory filings, broaden geographic reach, and enhance long-term value creation.

Supported by a strong balance sheet and growing cash flow from commercial activities, Everest Medicines is well positioned to continue advancing its business development strategy, strengthen its global footprint, and build a diversified, globally competitive biopharmaceutical portfolio with sustainable growth.

Discovery

2025 marked a remarkable year for Everest Medicines' dual-engine strategy and proprietary mRNA platforms, as the Company made significant progress across its personalized and off-the-shelf mRNA cancer vaccines as well as its in vivo CAR-T program. These advances reflect disciplined execution across discovery, translational research, CMC, and early clinical development.

During 2025, Everest successfully completed dose escalation in an investigator-initiated Phase Ia trial evaluating EVM16, the Company's personalized mRNA cancer vaccine. The Company expects to present the data readouts on safety and immunogenicity at an international conference in the first half of 2026.

Meaningful regulatory and clinical milestones were also achieved for EVM14, Everest's off-the-shelf TAA mRNA cancer vaccine. In 2025, EVM14 received IND approvals from both the U.S. FDA and China's NMPA, marking Everest's first dual IND approvals in the United States and China. The Company successfully completed GMP manufacturing and release of the first clinical batch of EVM14 at its Jiashan manufacturing site, supporting global clinical development. The first patient was dosed in the United States in 2025, initiating clinical evaluation of EVM14 in human subjects. We plan to complete dose escalation of the Phase I trial in both the U.S. and China cohorts this year.

EVM18, the first program from Everest's in vivo mRNA CAR-T platform also made significant progress during 2025. The Company generated proof-of-concept data in multiple preclinical animal models including non-human primates (NHPs) demonstrating efficient in vivo CAR expression, target cell engagement using its proprietary targeted lipid nanoparticle (tLNP) delivery system, and effective B cell clearance. Building on these results, Everest is advancing EVM18 to clinical development. This year, we plan to initiate multiple IITs in selected autoimmune indications with data readouts expected at an international medical conference in the second half of the year. The Company is also actively pursuing global IND filing for EVM18.

FINANCIAL REVIEW

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

	Years Ended 31 December	
	2025	2024
	(RMB in thousands)	
Revenue	**1,706,678**	706,678
Cost of revenue	**(524,775)**	(179,794)
Gross profit	**1,181,903**	526,884
General and administrative expenses	**(276,505)**	(250,078)
Research and development expenses	**(511,040)**	(528,035)
Distribution and selling expenses	**(780,550)**	(508,070)
Other income	**15,524**	15,395
Other losses— net	**(243,287)**	(373,140)
Operating loss	**(613,955)**	(1,117,044)
Finance income— net	**42,014**	73,024
Fair value change in financial assets at fair value through profit or loss ("FVPL")	**(13,473)**	(7)
Fair value change in financial instruments issued to investors	**26,201**	2,652
Share of profits and losses of an associate	**(39,151)**	–
Loss before income tax	**(598,364)**	(1,041,375)
Income tax credit	**300,598**	–
Loss for the year attributable to the equity holders of the Company	**(297,766)**	(1,041,375)
Total comprehensive loss for the year attributable to the equity holders of the Company	**(352,234)**	(1,017,534)
Non-IFRS measure:		
Adjusted profit/(loss) for the year	**187,155**	(537,560)

1. Overview

For the year ended 31 December 2025, the Group recorded revenue of RMB1,706.7 million, representing a significant increase as compared with revenue of RMB706.7 million for the year ended 31 December 2024. The substantial growth in revenue was primarily driven by the robust sales performance of NEFECON® in Chinese Mainland, coupled with the continuous commercial ramp-up of the commercialized products.

Gross profit margin decreased from 74.6% for the year ended 31 December 2024 to 69.3% for the year ended 31 December 2025. Excluding the amortisation of intangible assets, the gross profit margin decreased from 82.9% for the year ended 31 December 2024 to 74.1% for the year ended 31 December 2025. The decrease was primarily due to the NRDL of NEFECON® in Chinese Mainland. Nonetheless, the Group continued to optimise product costs by ways of internal efficiency initiatives through process improvements and supply chain streamlining. Additionally, the Company made collaborative efforts with suppliers such as joint cost-reduction programs to achieve economies of scale.

The general and administrative expenses for the year ended 31 December 2025 were RMB276.5 million, compared with RMB250.1 million for the year ended 31 December 2024. The R&D expenses were RMB511.0 million for the year ended 31 December 2025, as compared with RMB528.0 million for the year ended 31 December 2024. Distribution and selling expenses increased to RMB780.6 million for the year ended 31 December 2025, from RMB508.1 million for the year ended 31 December 2024. The ratio of total operating expenses (comprising general and administrative expenses, research and development expenses, and selling and distribution expenses) to revenue decreased by 90.1 percentage points, reflecting enhanced operational efficiency and the strategic optimisation of resource allocation.

For the year ended 31 December 2025, the Group recorded a net loss of RMB297.8 million, compared with RMB1,041.4 million for the year ended 31 December 2024.

As of 31 December 2025, cash and cash equivalents and bank deposits totalled RMB2,731.5 million, compared with RMB1,603.3 million as of 31 December 2024.

2. Revenue

For the year ended 31 December 2025, the Group generated revenue of RMB1,706.7 million.

The growth in revenue was primarily attributable to the continued commercial ramp-up of NEFECON® in the commercialized markets.

In the China market, the inclusion of NEFECON® in NRDL served as a key growth driver, resulting in a substantial increase in NEFECON® revenue for the year ended 31 December 2025.

In markets outside China, NEFECON® achieved important milestones with its successful launch in Taiwan and Korea, and continued ramp up in other Asia markets. Meanwhile, VELSIPITY® was successfully launched in the Singapore market. These achievements underscore the Group's progress in expanding its Asian footprint and enhancing patient access to medicines.

3. R&D Expenses

The Group's research and development ("R&D") expenses decreased slightly from RMB528.0 million for the year ended 31 December 2024 to RMB511.0 million for the year ended 31 December 2025. The Company remains committed to the strategic allocation of R&D resources, which drives pipeline optimisation and the rationalisation of selected focused projects to maximise long-term value creation. Additionally, leveraging its excellent clinical development capabilities, the Company further enriched its late-stage product pipeline through strategic cooperation and licensing-in initiatives.

The following table sets forth the components of our R&D expenses for the periods indicated:

	Years ended 31 December	
	2025	2024
	RMB'000	RMB'000
License fee	**61,770**	–
Research, clinical trial and test expenses	**125,735**	229,416
Employee benefit expenses	**228,392**	209,075
Professional expenses	**16,317**	12,876
Depreciation and amortization	**52,355**	51,452
Office and travelling expenses	**24,257**	23,374
Others	**2,214**	1,842
Total	**511,040**	528,035

4. Distribution and Selling Expenses

Distribution and selling expenses increased from RMB508.1 million for the year ended 31 December 2024 to RMB780.6 million for the year ended 31 December 2025. The Company proactively expanded coverage in medical institutions, as well as strengthen academic promotion and medical education initiatives. The Group focused on building a full-channel commercialisation system and enhancing its commercialisation capabilities in the full life cycle of pharmaceutical products.

5. General and Administrative Expenses

The Group's general and administrative expenses rose from RMB250.1 million for the year ended 31 December 2024 to RMB276.5 million for the year ended 31 December 2025. This increase was primarily driven by headcount expansion, as the Group strategically invested in talent acquisition to advance its pipeline development and market expansion initiatives.

6. Other Income

Other income for the year ended 31 December 2025 was mainly composed of government grants amounting to RMB15.5 million, which remained stable compared with RMB15.4 million for the year ended 31 December 2024.

7. Other Losses — Net

The Group's other losses were RMB243.3 million for the year ended 31 December 2025, compared with other losses of RMB373.1 million for the year ended 31 December 2024. This decrease was primarily attributable to the following factors: (i) a gain of RMB35.7 million from variable consideration received in respect of the disposal of IMMU32 for the year ended 31 December 2025; (ii) impairment losses arising from intangible assets of RMB312.3 million in relation to Zetomipzomib, SPR206 and FGF401, and impairment losses arising from property, plant and equipment of RMB20.9 million for the year ended 31 December 2025, compared with impairment losses of RMB356.3 million related to mRNA COVID-19 vaccines for the year ended 31 December 2024; and (iii) investment income of RMB50.7 million arising from the Group's investment in its associate, NovaBridge Biosciences ("NovaBridge").

8. Operating Loss

The Group's operating loss decreased from RMB1,117.0 million for the year ended 31 December 2024 to RMB614.0 million for the year ended 31 December 2025. This reduction was primarily attributable to the robust sales growth of the Group's commercialized products and enhanced operational efficiency.

9. Finance Income — Net

The Group's finance income decreased from RMB73.0 million for the year ended 31 December 2024 to RMB42.0 million for the year ended 31 December 2025, primarily attributable to the decreased interest income derived from bank deposits.

10. Fair Value Change in Financial Assets at Fair Value Through Profit or Loss

The Group recorded a loss from fair value changes in financial assets at fair value through profit or loss of RMB13.5 million for the year ended 31 December 2025, as compared with a loss of approximately RMB7 thousand for the year ended 31 December 2024. The loss in 2025 was primarily attributable to the fair value of the convertible preferred shares in Venatorx Pharmaceuticals, Inc. ("Venatorx") being evaluated as nil, reflecting that Venatorx suspended its operations in the second half of 2025.

11. Fair Value Change in Financial Instruments Issued to Investors

The Group recorded a gain from fair value changes of financial instruments issued to investors of RMB2.7 million for the year ended 31 December 2024 and a gain of RMB26.2 million for the year ended 31 December 2025. The gain for the year ended 31 December 2025 was primarily attributable to the fair value of the preferred shares issued by EverNov Medicines Limited ("EverNov") being evaluated as nil, because the management of EverNov assessed that EverNov will not have any distributable assets to the shareholders of EverNov as EverNov decided to pause the development of FGF401 and FGF401 was the only pipeline under development by EverNov.

12. Share of profits and losses of an associate

The Group's share of profits and losses of an associate represented its share of the net loss of NovaBridge Biosciences ("NovaBridge"), amounting to RMB39.2 million for the year ended 31 December 2025.

13. Income Tax Credit/(Expense)

The Group recognized deferred tax assets for the cumulative tax losses in Singapore amounting to RMB300.6 million for the year ended 31 December 2025, as it is probable that future taxable amounts will be available to utilise those tax losses. The Group did not incur any income tax expense for the year ended 31 December 2024.

14. Loss For The Year Attributable To The Equity Holders Of The Company

The loss for the year attributable to equity holders of the Company decreased by RMB743.6 million to RMB297.8 million for the year ended 31 December 2025 from RMB1,041.4 million for the year ended 31 December 2024. This decrease was primarily due to (i) strong product revenue growth, (ii) improved operational efficiency, (iii) the recognition of deferred tax assets in respect of cumulative tax losses incurred in Singapore, as it was considered probable that sufficient future taxable profits would be available to utilise such tax losses, and (iv) impairment losses arising from intangible assets of RMB312.3 million in relation to Zetomipzomib, SPR206 and FGF401, compared with impairment losses of RMB356.3 million related to mRNA COVID-19 vaccines for the year ended 31 December 2024.

15. Other Comprehensive (Loss)/Income

Other comprehensive loss for the year ended 31 December 2025 was RMB54.5 million, compared to other comprehensive income of RMB23.8 million for the year ended 31 December 2024. This change was primarily due to increased losses from foreign currency translation, offset by the increase in the fair value of equity investments designated at fair value through other comprehensive income and share of the associate's other comprehensive income.

16. Total Comprehensive Loss for the Year Attributable to the Equity Holders of the Company

As a result of the foregoing, the Group's total comprehensive loss for the year ended 31 December 2025 was RMB352.2 million, compared to a loss for the year ended 31 December 2024 was RMB1,017.5 million.

17. Non-IFRS Measure

To supplement the Group's consolidated financial statements, which are presented in accordance with the IFRS, the Group also uses adjusted profit/(loss) for the year, which is not required by, or presented in accordance with the IFRS. The Company believes that the adjusted profit/(loss) for the year provides useful information to Shareholders and potential investors in understanding and evaluating the Group's consolidated results of operations.

Adjusted profit/(loss) for the year represents the profit/(loss) for the year attributable to the equity holders of the Company excluding the effect of certain non-cash items, namely the loss on fair value changes in financial assets at fair value through profit or loss, the gain on fair value changes of preferred shares (current financial liabilities measured at fair value through profit or loss), share-based compensation loss, impairment loss on intangible assets, impairment loss on property, plant and equipment, intangible assets amortization and investment income arising from investment in associate. The term adjusted profit/(loss) for the year is not defined under the IFRS. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, the Group's results of operations or financial condition as reported under IFRS. The Company's presentation of such an adjusted figure may not be comparable to a similarly titled measure presented by other companies. However, the Company believes that this measure is a reflection of the Group's normal operating results by eliminating potential impacts of items that the management do not consider to be indicative of the Group's operating performance, and thus facilitate comparisons of operating performance from period to period and company to company to the extent applicable.

The table below sets forth a reconciliation of the loss for the year attributable to the equity holders of the Company to adjusted profit/(loss) for the year during the periods indicated:

	Years ended 31 December	
	2025	2024
	(RMB in thousands)	
Loss for the year attributable to the equity holders of the Company	**(297,766)**	(1,041,375)
Added:		
Loss on fair value changes in financial assets at fair value through profit or loss	**13,473**	7
Gain on fair value changes in financial instruments issued to investors	**(26,201)**	(2,652)
Share-based compensation expenses	**131,776**	91,098
Impairment of intangible assets	**312,315**	356,340
Impairment of property, plant and equipment	**20,913**	–
Amortization of intangible assets	**83,364**	59,022
Investment income arising from investment in associate	**(50,719)**	–
Adjusted profit/(loss) for the year	**187,155**	(537,560)

18. Liquidity and Source Of Funding

As of 31 December 2025, the Group's cash and cash equivalents plus bank deposits increased to RMB2,731.5 million from RMB1,603.3 million as of 31 December 2024. The increase primarily resulted from proceeds from issue of shares and net proceeds from bank loans, net off by net cash used in our operating activities, investment in an associate and purchases of property, plant and equipment and intangible assets.

As of 31 December 2025, the current assets of the Group were RMB3,373.5 million, including cash and cash equivalents and bank deposits of RMB2,731.5 million and other current assets of RMB642.0 million. As of 31 December 2025, the current liabilities of the Group were RMB689.6 million, including trade and other payables of RMB595.7 million, borrowings of RMB74.4 million and lease liabilities of RMB19.5 million.

Details of cash and cash equivalents are set out in Note 24 to the consolidated financial statements.

Operating Activities

Net cash used in our operating activities for the year ended 31 December 2025 was RMB92.6 million. The Group recorded a loss before tax of RMB598.4 million for the same period. The difference between our loss before income tax and our net cash used in operating activities was primarily attributable to (i) depreciation and amortization in the amount of RMB156.5 million; (ii) share-based compensation in the amount of RMB131.8 million; (iii) Net finance income in the amount of RMB44.6 million which was classified as investing activities; (iv) impairment loss of intangible assets and property, plant and equipment in the amount of RMB333.2 million; (v) variable consideration received for disposal of IMMU132 in the amount of RMB35.7 million which was classified as investing activities; and (vi) changes in working capital.

Net cash used in our operating activities for the year ended 31 December 2024 amounted to RMB679.5 million. The Group recorded a net loss of RMB1,041.4 million for the same period. The difference between our loss before income tax and our net cash used in operating activities was primarily due to (i) depreciation and amortization in the amount of RMB133.6 million; (ii) share-based compensation in the amount of RMB91.1 million; (iii) net finance income which was classified as investing activities; (iv) impairment loss of an intangible asset in the amount of RMB356.3 million and (v) changes in working capital.

Investing Activities

Net cash used in investing activities for the year ended 31 December 2025 was RMB692.7 million, primarily attributable to (i) purchase of property, plant and equipment and intangible asset of RMB348.3 million; (ii) net cash outflow from purchase of bank deposits of RMB149.0 million; (iii) investment in an associate of RMB220.8 million; and (iv) the partial offset by variable consideration received for disposal of IMMU32 of RMB35.7 million.

Net cash generated from investing activities for the year ended 31 December 2024 amounted to RMB974.4 million, primarily attributable to (i) net cash inflow from the disposal of bank deposits of RMB1,178.5 million; and (ii) the partial offset by purchase of property, plant and equipment and intangible asset of RMB204.2 million.

Financing Activities

Net cash generated from financing activities for the year ended 31 December 2025 was RMB1,772.7 million, primarily attributable to (i) proceeds from issue of shares of RMB1,414.2 million; (ii) net proceeds from bank loans of RMB366.7 million; (iii) proceeds from exercise of share options of RMB34.6 million; and (iii) the net off by payments of lease liabilities of RMB20.3 million and interests paid for bank loans of RMB20.3 million.

Net cash generated from financing activities for the year ended 31 December 2024 amounted to RMB37.8 million, primarily due to (i) net proceeds from bank loans of RMB47.7 million; (ii) proceeds from exercise of stock options of RMB30.6 million; and (iii) the net off by payments of lease liabilities of RMB20.8 million and bank loan interest payment of RMB19.7 million.

19. Treasury Policy

Our cash is invested solely in relatively liquid and low-risk instruments, such as bank deposits or money market instruments. The primary objective of our investment strategy is to generate finance income at a yield higher than the interest rate of current bank deposits, while emphasising the preservation of principal and maintenance of liquidity.

20. Key Financial Ratios

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

	As at 31 December	
	2025	2024
Current ratio[Note]	**4.89**	2.54

Note: Current ratio is calculated using current assets divided by current liabilities as of the same date.

Gearing ratio is calculated using interest-bearing borrowings less bank balances and cash, divided by total equity and multiplied by 100%. As at 31 December 2025, the Group was in a net cash position and thus, gearing ratio is not applicable.

21. Significant Investments

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

22. Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures for the year ended 31 December 2025.

23. Future Plans for Material Investments or Capital Assets

The construction of the Jiashan manufacturing site has been completed, and the majority of the facility and equipment installations have also been finalized. Additionally, in 2025, the Company initiated a new project to localize the production of VELSIPITY® at Jiashan manufacturing site, which will be funded through the Company's internal resources and banking facility.

24. Pledge of Assets

As at 31 December 2025, the Jiashan manufacturing facility and office has been pledged to secure the banking facility offered to the Group.

25. Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2025.

26. Foreign Exchange Exposure

The Company's functional currency is United States Dollars and the functional currency of the Company's subsidiaries in China is Renminbi. During the year ended 31 December 2025, the Group mainly operated in China, and the majority of the transactions were settled in RMB, the same as the functional currency of the operating entities. Our financial assets and liabilities are subject to foreign currency risk as a result of certain cash and cash equivalents, borrowings and trade and other payables denominated in non-functional currency. Therefore, the fluctuations in the exchange rate of functional currency against non-functional currency could affect our results of operations. As at 31 December 2025, except for the cash and cash equivalents and borrowings denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations. We did not enter into any hedging transactions to manage the potential fluctuation in foreign currency as at 31 December 2025.

27. Continuing disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules

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

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

DIRECTORS

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

Executive Directors

Mr. Yifang Wu (吳以芳) *(Chairman of the Board)* (appointed with effect from 10 October 2025)
Mr. Yongqing Luo (羅永慶)
Mr. Ian Ying Woo (何穎)

Non-Executive Directors

Mr. Wei Fu (傅唯) *(Honorary chairman of the Board)* (re-designated from executive Director with effect from 10 October 2025)
Mr. William Ki Chul Cho (曹基哲)
Mr. Honggang Feng (馮洪剛) (resigned with effect from 10 October 2025)
Mr. Xin Sun (孫欣) (appointed with effect from 11 December 2025)

Independent Non-executive Directors

Mr. Shidong Jiang (蔣世東)
Mr. Yifan Li (李軼梵)
Ms. Hoi Yam Chui (徐海音)

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 72 to 79 of this annual report.

In accordance with Article 16.2 and 16.19 of the Article of Association, Mr. Yifang Wu, Mr. Wei Fu, Mr. William Ki Chul Cho, Mr. Xin Sun and Ms. Hoi Yam Chui shall retire at the AGM. All of the above Directors, being eligible, will offer themselves for re-election at the AGM.

CHANGES IN DIRECTOR'S INFORMATION

Changes in Director's information since the last published interim report is set out below pursuant to Rule 13.51(B)(1) of the Listing Rules:

Name of Director	Details of Change
Mr. Ian Ying Woo	Mr. Woo has been appointed as a director of NovaBridge Biosciences (NASDAQ: NBP) since October 2025.

Save as disclosed above, the Company is not aware of other changes in the Directors' information which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 14 July 2017 as an exempted limited liability company. The Company's Shares were listed on the Main Board of the Stock Exchange on 9 October 2020.

PRINCIPAL ACTIVITIES

We are a biopharmaceutical company that integrates licensing, clinical development and commercialization of potentially novel or differentiated therapies to address critical unmet medical needs in Greater China and other emerging Asia Pacific markets.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 109 to 110 of this annual report.

BUSINESS REVIEW

A fair review of the business of the Group as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial performance and an indication of likely future developments in the Group's business is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this report. These discussions form part of this report. Events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Important Events After the Reporting Period" in this report. An account of the Company's key relationships with its employees, customers and suppliers and others that have a significant impact on the Company is set out in the "Environmental, Social and Governance Report" published on the same date as the 2025 annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- the financial position and need for additional capital;
- uncertain outcomes of clinical development of our drug candidates;
- its ability to identify, discover or in-license new drug candidates;
- all material aspects of the research, development and commercialization of pharmaceutical products are heavily regulated;
- commercialization of our drug candidates;
- reliance on our business partners and third parties;
- the patent and other intellectual property protection for our drug candidates; and
- risks related to industry, business and operations.

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth.

For more details, please refer to the "Environmental, Social and Governance Report" published on the same date as the 2025 annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

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

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 812 (2024: 665) employees, 796 based in China, 8 based in the United States, 3 based in Singapore and 5 based in Korea, including a total of 50 employees with a Ph.D. degree or an M.D. degree.

The following table sets forth the total number of employees by function as of 31 December 2025:

Function	Number of employees	% of total
Business Development	4	0.49%
Clinical Development	70	8.62%
Commercialization	569	70.08%
Chemistry, Manufacturing, and Controls	59	7.27%
Discovery	36	4.43%
Operations and Administrative	74	9.11%
Total	**812**	**100%**

The remuneration of the employees of the Group comprises salaries, bonuses, social security contributions and other welfare payments. In accordance with applicable Chinese laws, we have made contributions to social security insurance funds (including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance) and housing funds for our employees.

Employees are important resources for the Group's sustainable operation and steady development. The Company has formulated policies related to employees' remuneration, rights and interests and conducted various staff training, details of which are further set out in the "Environmental, Social and Governance Report" published on the same date as the 2025 annual report.

The Company has also adopted share schemes to provide incentives for the Group's employees. Please refer to the section headed "Shares Schemes" on pages 52 to 63 in this annual report for further details.

The total remuneration cost incurred by the Group for the year ended 31 December 2025 was RMB771.5 million, as compared to RMB586.6 million for the year ended 31 December 2024. During the year ended 31 December 2025, the Group did not experience any significant labour arbitration or litigation or any difficulty in recruiting employees.

MAJOR CUSTOMERS AND SUPPLIERS

We have generated revenue from Xerava® in Chinese Mainland, Hong Kong and Singapore, Nefecon® in Chinese Mainland, Hong Kong, Singapore, Taiwan and Korea, and Velsipity® in Macau, Guangdong province and Singapore. For the year ended 31 December 2025, revenue from the Group's largest five customers accounted for 99.9% of the Group's total revenue and the Group's largest customer for the year ended 31 December 2025, Keyuan Xinhai (Beijing) Medical Products, accounted for approximately 98.0% of the Group's sales.

For the year ended 31 December 2025, purchases from the Group's five largest suppliers accounted for approximately 30.5% (2024: 19.4%) of the Group's total purchase amount in the same year. The Group's largest supplier for the year ended 31 December 2025 accounted for approximately 17.1% (2024: 4.7%) of the Group's total purchase amount for the same year.

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

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

FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 211 of this annual report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION

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

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 1 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL AND SHARES ISSUED

Details of movements in the share capital of the Company for the year ended 31 December 2025 and details of the Shares issued during the year ended 31 December 2025 are set out in Note 30 to the consolidated financial statements.

DONATION

During the year ended 31 December 2025, the Group made charitable donations of approximately RMB8.9 million (2024: RMB35.0 million).

DEBENTURE ISSUED

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

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Schemes" as set out on pages 52 to 63 in this annual report, no equity-linked agreements were entered into by the Group, or existed for the year ended 31 December 2025.

DIVIDENDS

The Board does not recommend the distribution of a final dividend for the year ended 31 December 2025. No dividend was paid or declared by the Company or other members of the Group during the year ended 31 December 2024.

No Shareholder has waived or agreed to waive any dividends for the year ended 31 December 2025.

PERMITTED INDEMNITY

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

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

DISTRIBUTABLE RESERVES

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

As at 31 December 2025, the Company had distributable reserves for share premium of RMB15,625,320 (2024: RMB14,042,141).

Details of movements in the reserves of the Group and the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on pages 113 to 114.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in Note 26 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years with effect from the Listing Date or the date of their service contracts or until the third annual general meeting of the Company since the Listing Date or the date of his/her services contracts (whichever is sooner), upon which their service contracts will be automatically renewed for successive periods of three years. Either party has the right to give not less than three months' written notice to terminate the contract.

Each of the non-executive Directors has signed a letter of appointment with the Company for an initial term of three years with effect from the date of his/her letter of appointment, upon which their appointments will be automatically renewed for successive periods of three years. Either party has the right to give not less than three months' written notice to terminate the contract.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for an initial term of three years from the date of the letter of appointment unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' notice in writing.

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

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended 31 December 2025.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

CBC Group is the Controlling Shareholder of the Company. Save as disclosed in the Prospectus and in this annual report, to the best knowledge and belief of our Directors, CBC Group has no contracts of significance with us apart from their interest in our Company.

MANAGEMENT CONTRACTS

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

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

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

Name of Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of holding[7]	Long position/ Short position
Mr. Wei Fu[1]	Founder of a discretionary trust who can influence how the trustee exercises his discretion	85,222,427	24.10%	Long position
Mr. Yifang Wu[2]	Beneficial owner	2,074,677	0.59%	Long position
Mr. Yongqing Luo[3]	Beneficial owner	11,398,409	3.22%	Long position
Mr. Ian Ying Woo[4]	Beneficial owner	3,708,435	1.05%	Long position
Mr. Shidong Jiang[5]	Beneficial owner	40,000	0.01%	Long position
Mr. Yifan Li[6]	Beneficial owner	40,000	0.01%	Long position

Notes:

(1) C-Bridge Investment Everest Limited holds 40,468,000 Shares. The sole shareholder of C-Bridge Investment Everest Limited is C-Bridge Healthcare Fund II, L.P. whose general partner is C-Bridge Healthcare Fund GP II, L.P. The general partner of C-Bridge Healthcare Fund GP II, L.P. is C-Bridge Capital GP, Ltd., whose controlling shareholders are TF Capital, Ltd. and TF Capital II, Ltd., both of which under the control of CBC Group Investment Management, Ltd., which is further indirectly controlled by Nova Aqua Limited. C-Bridge IV Investment Two Limited holds 22,732,260 Shares. C-Bridge IV Investment Two Limited is wholly owned by C-Bridge Healthcare Fund IV, L.P. The general partner of C-Bridge Healthcare Fund IV, L.P. is C-Bridge Healthcare Fund GP IV, L.P. The general partner of C-Bridge Healthcare Fund GP IV, L.P. is C-Bridge Capital GP IV, Ltd., which is owned as to 71.05% by TF Capital IV Ltd., a wholly owned subsidiary of Nova Aqua Limited, and 28.95% by Nova Aqua Limited. Everest Management Holding Co., Ltd. holds 21,683,167 Shares. Everest Management Holding Co., Ltd. is owned as to 86.59% by C-Bridge Joint Value Creation Limited. C-Bridge Joint Value Creation Limited is wholly-owned by Nova Aqua Limited. Nova Aqua Limited also holds 339,000 Shares. The entire interest in Nova Aqua Limited is held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. Wei Fu (as settlor) for the benefit of Mr. Wei Fu and his family.

(2) Mr. Yifang Wu is entitled to receive up to (i) 1,237,374 Shares pursuant to the exercise of options under the Post-IPO Share Option Scheme with exercise price at HKD56.63 and (ii) 530,303 Shares under Pre-IPO ESOP pursuant to awards granted which has been approved by the shareholders at the extraordinary general meeting on 24 February 2026. Details of the options and awards granted to this Director are set out in the section headed "Share Schemes" below.

(3) Mr. Yongqing Luo is entitled to receive up to (i) 4,700,000 Shares pursuant to the exercise of options with exercise price at HK$10.084, (ii) 1,559,349 Shares pursuant to the exercise of options with exercise price at HK$15.632, (iii) 1,901,560 Shares pursuant to the exercise of options with exercise price at HK$22.54, and (iv) 960,920 Shares pursuant to the exercise of options with exercise price at HK$55.61 under the Post-IPO Share Option Scheme, subject to the conditions of those options. Mr. Yongqing Luo is also entitled to receive up to (i) 298,272 Shares pursuant to the performance target awards granted to him under the Post-IPO Share Award Scheme and (ii) 205,911 Shares pursuant to the performance target awards granted to him under the Pre-IPO ESOP. Details of the options and awards granted to this Director are set out in the section headed "Share Schemes" below.

(4) Mr. Ian Ying Woo's entitlement to receive up to (i) 110,000 Shares pursuant to the exercise of options with exercise price at USD2.26 under the Pre-IPO ESOP, (ii) 338,403 Shares pursuant to the exercise of options with exercise price at HK$72.49, (iii) 779,675 Shares pursuant to the exercise of options with exercise price at HK$15.632, (iv) 950,780 Shares pursuant to the exercise of options with exercise price at HK$22.54, and (v) 432,414 Shares pursuant to the exercise of options with exercise price at HK$55.61 under the Post-IPO Share Option Scheme. Mr. Woo is also entitled to receive up to (i) 155,802 Shares and (ii) 120,728 Shares under the Post-IPO Share Award Scheme and the Pre-IPO ESOP, respectively, subject to the conditions of those performance target awards. Details of the options and awards granted to this Director are set out in the section headed "Share Schemes" below.

(5) Mr. Shidong Jiang's entitlement to receive up to 40,000 Shares pursuant to the exercise of options under the Post-IPO Share Option Scheme, subject to the conditions of those options. The exercise price of these options are HKD72.49 (up to 20,000 Shares) and HKD23.17 (up to 20,000 Shares). Details of the options and awards granted to this Director are set out in the section headed "Share Schemes" below.

(6) Mr. Yifan Li's entitlement to receive up to 40,000 Shares pursuant to the exercise of options under the Post-IPO Share Option Scheme, subject to the conditions of those options. The exercise price of these options are HKD72.49 (up to 20,000 Shares) and HKD23.17 (up to 20,000 Shares). Details of the options and awards granted to this Director are set out in the section headed "Share Schemes" below.

(7) The calculation is based on the total number of 353,577,866 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

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

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

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares	Approximate percentage of holding[3]	Long position/ Short position
VISTRA TRUST (SINGAPORE) PTE. LIMITED[1]	Trustee and other	85,222,427	24.10%	Long position
Nova Aqua Limited[1]	Interest in a controlled corporation	85,222,427	24.10%	Long position
TF Capital, Ltd.[1]	Interest in a controlled corporation	40,468,000	11.45%	Long position
TF Capital II Ltd.[1]	Interest in a controlled corporation	40,468,000	11.45%	Long position
C-Bridge Capital GP, Ltd.[1] [2]	Interest in a controlled corporation	40,468,000	11.45%	Long position
C-Bridge Healthcare Fund GP II, L.P.[1]	Interest in a controlled corporation	40,468,000	11.45%	Long position
C-Bridge Investment Everest Limited[1]	Beneficial owner	40,468,000	11.45%	Long position
Dan Yang[2]	Interest in a controlled corporation	40,468,000	11.45%	Long position
Kang Hua Investment Company Limited[2]	Interest in a controlled corporation	40,468,000	11.45%	Long position
C-Bridge Capital GP IV, Ltd.[1]	Interest in a controlled corporation	22,732,260	6.43%	Long position
C-Bridge Healthcare Fund GP IV, L.P.[1]	Interest in a controlled corporation	22,732,260	6.43%	Long position
C-Bridge Healthcare Fund IV, L.P.[1]	Interest in a controlled corporation	22,732,260	6.43%	Long position
TF Capital IV Ltd.	Interest in a controlled corporation	22,732,260	6.43%	Long position
C-Bridge IV Investment Two Limited[1]	Interest in a controlled corporation	22,732,260	6.43%	Long position
C-Bridge Joint Value Creation Limited[1]	Interest in a controlled corporation	21,683,167	6.13%	Long position
Everest Management Holding Co., Ltd.[1]	Beneficial owner	21,683,167	6.13%	Long position

Notes:

(1) The sole shareholder of C-Bridge Investment Everest Limited is C-Bridge Healthcare Fund II, L.P. whose general partner is C-Bridge Healthcare Fund GP II, L.P. The general partner of C-Bridge Healthcare Fund GP II, L.P. is C-Bridge Capital GP, Ltd., whose controlling shareholders are TF Capital, Ltd. and TF Capital II, Ltd., both of which under the control of CBC Group Investment Management, Ltd., which is further indirectly controlled by Nova Aqua Limited. C-Bridge IV Investment Two Limited is wholly owned by C-Bridge Healthcare Fund IV, L.P. The General Partner of C-Bridge Healthcare Fund IV, L.P. is C-Bridge Healthcare Fund GP IV, L.P. The general partner of C-Bridge Healthcare Fund GP IV, L.P. is C-Bridge Capital GP IV, Ltd., which is owned as to 71.05% by TF Capital IV Ltd., a wholly owned subsidiary of Nova Aqua Limited, and 28.95% by Nova Aqua Limited. Everest Management Holding Co., Ltd. is owned as to 86.59% by C-Bridge Joint Value Creation Limited. C-Bridge Joint Value Creation Limited is wholly-owned by Nova Aqua Limited. The entire interest in Nova Aqua Limited is held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. Wei Fu (as settlor) for the benefit of Mr. Wei Fu and his family.

(2) TF Capital, Ltd. has controlling interest in C-Bridge Capital GP, Ltd.. Kang Hua Investment Company Limited has controlling interest in TF Capital, Ltd.. Ms. Dan Yang is the sole shareholder of Kang Hua Investment Company Limited.

(3) The calculation is based on the total number of 353,577,866 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, no other person (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register required to be kept under section 336 of the SFO.

SHARE SCHEMES

During the Reporting Period, the Company had the following share schemes: the Pre-IPO ESOP, the Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme. The Company adopted the 2026 Share Scheme on 24 February 2026, since which each of the Pre-IPO ESOP, the Post-IPO Share Option Scheme, the Post-IPO Share Award Scheme terminated and no further grants would be made thereunder.

7,699,834 new Shares, representing approximately 2.28% of the weighted average number of Shares (excluding treasury shares) for the Reporting Period, may be issued in respect of options and awards granted during the Reporting Period to eligible participants pursuant to all of the share schemes. The details of each share scheme are set out below.

PRE-IPO SHARE INCENTIVE PLAN

1. Pre-IPO ESOP

A summary of the principal terms of the Pre-IPO ESOP is set out below. Further details of the Pre-IPO ESOP are set out in the Prospectus.

Purpose

The purpose of the Pre-IPO ESOP is to advance the interests of the Company by providing for the grant to participants of the Pre-IPO ESOP Awards (defined below), and to motivate the selected participants to contribute to the Company's growth and development. The Pre-IPO ESOP, which will be in the form of Pre-IPO ESOP Options (defined below) and Pre-IPO ESOP RSU (defined below), will enable the Company to recruit, incentivize and retain key employees.

Eligible Participants

Those eligible to participate in the Pre-IPO ESOP include employees, officers, directors, contractors, advisors or consultants of the Group as determined, authorized and notified by the Board or a committee authorized by the Board (the "Pre-IPO ESOP Committee"). The Board or the Pre-IPO ESOP Committee may, from time to time select from among all eligible individuals (the "Pre-IPO ESOP Participants") to whom awards (the "Pre-IPO ESOP Award(s)") in the form of options (the "Pre-IPO ESOP Option(s)") and restricted stock units (the "Pre-IPO ESOP RSU(s)"), will be granted (the "Pre-IPO ESOP Grantee(s)") and will determine the nature and amount of each grant.

Maximum Number of Shares Available for Grant

The maximum number of Shares in respect of which Pre-IPO ESOP Awards may be granted under the Pre-IPO ESOP shall not exceed 22,932,908 Shares in the aggregate, subject to any adjustments in the event of any alteration in the capital structure of the Company. After the Listing, no further Pre-IPO ESOP Options would be granted and only Pre-IPO ESOP RSUs would be granted.

As at 1 January 2025, 3,342,443 Shares were available for grant under the Pre-IPO ESOP. During the Reporting Period, 1,936,927 Pre-IPO ESOP RSUs were granted to eligible participants pursuant to the Pre-IPO ESOP. It follows that, as at 31 December 2025, 2,044,504 Shares were available for grant under the Pre-IPO ESOP.

Maximum Number of Shares Available for Issue

As at 1 January 2025, 6,528,905 Shares were available for issue under the Pre-IPO ESOP. During the Reporting Period, 1,067,433 Shares were issued pursuant to the Pre-IPO ESOP. It follows that, as at 31 December 2025 and the Latest Practicable Date, 5,461,472 Shares and 5,318,948 Shares (representing approximately 1.50% of the issued share capital of the Company as at the Latest Practicable Date) were available for issue under the Pre-IPO ESOP, respectively.

Maximum Entitlement of Each Participant

No employee shall be granted a Pre-IPO ESOP Award which, if exercised in full, would result in such employee becoming entitled to subscribe for an aggregate number of Shares (including all previous Pre-IPO ESOP Awards) exceeding 10% of the aggregate number of Shares for the time being issued and issuable under the Pre-IPO ESOP.

Exercise Period

Unless otherwise specified in the offer letter, any Pre-IPO ESOP Option shall become exercisable upon vesting. The expiry of the period within which a Pre-IPO ESOP Option may be exercised is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than 10 years from the date of grant.

Vesting Period

The vesting criteria and conditions, and the vesting date are specified in the award agreement.

Exercise or Purchase Price

The Strike Price of the Pre-IPO ESOP Options and any purchase price for the Pre-IPO ESOP RSUs shall be approved by the Board and shall be set out in the offer letter. The Strike Price is determined by the fair value of the Shares on the date of grant of the Pre-IPO ESOP Options.

Amount Payable on Application or Acceptance of the Option or Award and the Period within which Payments or Calls Must or may be made or Loans for such Purposes must be Repaid

A Pre-IPO ESOP Grantee is not required to pay for the grant of any Pre-IPO ESOP Option. The consideration to be paid (if any) for each Share subject to a Pre-IPO ESOP RSU is determined by the Board and shall be set forth in the offer letter for such Pre-IPO ESOP RSUs.

Remaining Life of the Pre-IPO ESOP

The remaining life of the Pre-IPO ESOP is approximately 3 years.

Outstanding Pre-IPO ESOP Options and RSUs

As at 31 December 2025, the Company had outstanding Pre-IPO ESOP Options to subscribe for an aggregate of 158,573 Shares granted to 11 grantees (including Directors, senior management, other connected persons and employees of the Company) and unvested Pre-IPO ESOP RSUs representing an aggregate of 3,258,395 Shares granted to 215 grantees (including Directors, senior management, other connected persons and employees of the Company). Details of the outstanding options and unvested awards under the Pre-IPO ESOP during the Reporting Period are as follows:

Options

Name	Date of Grant	Vesting Period[1]	Exercise Period	Exercise Price (US$)	Outstanding as at 1 January 2025	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Weighted average closing price of Shares immediately before the date of exercise (HK$)[5]
Director										
Mr. Ian Ying Woo	16 July 2020	4 years[1]	7 years from the date of grant	2.26	110,000	–	–	–	110,000	N/A
Other grantees by category										
Employee Participants	Between 31 Dec 2018 and 31 Jul 2020	4 years	7 years from the date of grant	0.18-3.24	88,995	40,422	–	–	48,573	54.57
Total					**198,995**	**40,422**	**–**	**–**	**158,573**	

RSUs

Name	Date of Grant	Vesting Period	Purchase price	Unvested as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as at 31 December 2025	Fair value of the awards at the date of grant (HK$)[2][8]	Performance target[8]	Closing price of the Shares immediately before the date of grant (HK$)[8]	Weighted average closing price of the Shares immediately before the date of vesting (HK$)[7]
Directors													
Mr. Yifang Wu	10 October 2025	4 years	nil	–	530,303[3]	–	–	–	530,303	N/A	None	N/A	N/A
Mr. Ian Ying Woo	3 April 2023	Immediate vesting upon achievement of performance targets	nil	84,206	–	28,070	28,068	–	28,068	N/A	N/A	N/A	55.50
	1 April 2025	4 years	nil	–	92,660	–	–	–	92,660	3,567,410	See Note 8	53.55	N/A
Mr. Yongqing Luo	1 April 2025	4 years	nil	–	205,911	–	–	–	205,911	7,927,574	See Note 8	53.55	N/A
Other grantees by category													
Employee Participants	Between 18 February 2020 and 3 April 2023	4 years	nil	684,142	–	357,521	167,645	–	158,976	N/A	N/A	N/A	52.62
	3 April 2023	Immediate vesting upon achievement of performance targets	nil	537,619	–	143,920	111,750	–	281,949	N/A	N/A	N/A	44.81
	5 April 2024	4 years	nil	1,086,750	–	317,250	83,000	–	686,500	N/A	N/A	N/A	48.80
	5 April 2024	Immediate vesting upon achievement of performance targets	nil	96,750	–	37,000	45,584	–	14,166	N/A	N/A	N/A	50.48
	2 October 2024	4 years	nil	498,000	–	113,250	79,500	–	305,250	N/A	N/A	N/A	54.30
	1 April 2025	4 years	nil	–	1,150,397	30,000	123,441	–	996,956	62,639,117	None	53.55	48.72
	1 April 2025	4 years	nil	–	253,159	–	–	–	253,159	9,746,622	See Note 3	53.55	N/A
	2 October 2025	4 years	nil	–	234,800	–	–	–	234,800	13,501,000	None	56.30	N/A
Total				**2,987,467**	**1,936,927**	**1,027,011**	**638,988**	**–**	**3,258,395**				

Notes:

(1) All options granted were subject to immediate vesting upon Listing.

(2) The fair values of the awards are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The fair value is determined by reference to the fair value of the equity instrument as at the grant date, considering market performance conditions, excluding the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

(3) The 253,159 performance target awards shall vest equally over 4 years, with the first vesting date being 31 March 2026 and the remaining vesting dates being each anniversary thereafter, upon achievement of specified company level performance targets (including financial, clinical development and operational) and individual performance appraisal targets by the first vesting date.

(4) No further options have been or would be granted after the Listing.

(5) This information is in respect of options exercised during the Reporting Period.

(6) This information is in respect of RSUs granted during the Reporting Period.

(7) This information is in respect of RSUs vested during the Reporting Period.

(8) The 205,911 performance target awards and 92,660 performance target awards granted to Mr. Yongqing Luo and Mr. Ian Ying Woo shall vest equally over 4 years, with the first vesting date being 31 March 2026 and the remaining vesting dates being each anniversary thereafter, upon the achievement of specified company level performance targets and individual performance appraisal targets by the first vesting date. The company level performance targets relate to financial performance, clinical development milestones, capital market and operational and company organizational goals.

(9) The 530,303 awards under the Pre-IPO ESOP granted to Mr. Yifang Wu on 10 October 2025 were approved by Independent Shareholders on 24 February 2026 and is not considered as granted during the Reporting Period.

POST-IPO SHARE INCENTIVE PLANS

1. Post-IPO Share Option Scheme

A summary of the principal terms of the Post-IPO Share Option Scheme is set out below. Further details of the Post-IPO Share Option Scheme are set out in the Prospectus.

Purpose

The purpose of the Post-IPO Share Option Scheme is to provide Post-IPO Share Option Scheme Eligible Persons (defined below) with the opportunity to acquire proprietary interests in the Company and to encourage the Eligible Person to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Post-IPO Share Option Scheme Eligible Persons.

Eligible Participants

Any individual, being an employee, director, officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any of the Group's affiliates who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group is entitled to be offered and granted options (the "Post-IPO Share Option Scheme Eligible Person(s)").

Maximum Number of Shares Available for Grant

The total number of Shares which may be issued upon exercise of all options (the "Post-IPO Options") to be granted under the Post-IPO Share Option Scheme and any other share option scheme of the Company is 28,369,038, being no more than 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (assuming the Over-allotment Option is not exercised and no Shares are issued under the Share Schemes) (the "Option Scheme Mandate Limit").

As at 1 January 2025, 7,209,983 Shares were available for grant under the Post-IPO Share Option Scheme. During the Reporting Period, 5,762,907 options with underlying 5,762,907 Shares were granted to eligible participants pursuant to the Post-IPO Share Option Scheme. It follows that, as at 31 December 2025, 2,563,383 Shares were available for grant under the Post-IPO Share Option Scheme.

Maximum Number of Shares Available for Issue

As at 1 January 2025, 26,246,395 new Shares were available for issue under the Post-IPO Share Option Scheme. During the Reporting Period, 1,871,759 new Shares were issued pursuant to the Post-IPO Share Option Scheme. It follows that, as at 31 December 2025 and the Latest Practicable Date, 24,374,636 new Shares and 24,371,344 new Shares (representing approximately 6.89% of the issued share capital of the Company as at the Latest Practicable Date) were available for issue under the Post-IPO Share Option Scheme, respectively.

Maximum Entitlement of Each Participant

There is no specific maximum entitlement for each Post-IPO Share Option Scheme Eligible Person under the Post-IPO Share Option Plan. Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of the Company to each Post-IPO Share Option Scheme Eligible Person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the "Individual Limit"). Any further grant of options to a Post-IPO Share Option Scheme Eligible Person which would result in the aggregate number of Shares issued and to be issued upon exercise of all options granted and to be granted to such Post-IPO Share Option Scheme Eligible Person (including exercised, canceled and outstanding options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Shareholders in general meeting (with such Eligible Persons and his associates abstaining from voting).

Exercise Period

Option period (a period within which an option may be exercised) is to be determined and notified by the Board to each grantee at the time of making an offer, and shall not expire later than 10 years from the grant of the option.

Vesting Period

The Board or its delegates shall be entitled to make an offer, which shall specify the terms on which the option is to be granted. Such terms may include any minimum period(s) for which an option must be held and/or any minimum performance target(s) that must be achieved, before the option can be exercised in whole or in part.

Consideration

An amount of HK$1.00 is payable by the grantees upon acceptance of the awards granted under the Post-IPO Share Option Scheme.

Exercise Price

The exercise price of each option will be determined by the Board or its delegate(s). Options, once granted, may be repriced only in accordance with the applicable requirements of the Post-IPO Share Option Scheme and the grant agreement.

Remaining Life of the Post-IPO Share Option Scheme

The remaining life of the Post-IPO Share Option Scheme is approximately 5 years.

Outstanding Post-IPO Share Options

As at 31 December 2025, the Company had outstanding Post-IPO ESOP Options to subscribe for an aggregate of 21,811,253 Shares granted to 197 grantees (including Directors, senior management, other connected persons of the Company and other employees of the Company). Details of the outstanding options under the Post-IPO Share Option Scheme during the Reporting Period are as follows:

Name	Date of Grant	Vesting Period	Exercise Period	Exercise Price (HK$)	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Fair value of the options at the date of grant (HK$)[1][3]	Performance targets[3]	Closing price of the Shares immediately before the date of grant (HK$)[3]	Weighted average closing price of Shares immediately before the date of exercise (HK)[2]
Directors														
Mr. Yifang Wu	10 October 2025	4 years	7 years from the date of grant	56.63	–	1,237,374	–	–	–	1,237,374	33,614,671	None	56.30	N/A
Mr. Yongqing Luo	19 September 2022 and 3 April 2023	4 years	7 years from the date of grant	10.084 and 15.632	6,259,349	–	–	–	–	6,259,349	N/A	N/A	N/A	N/A
	5 April 2024	4 years	7 years from the date of grant	22.54	1,901,560	–	–	–	–	1,901,560	N/A	N/A	N/A	N/A
	1 April 2025	4 years	7 years from the date of grant	55.61	–	960,920	–	–	–	960,920	26,069,760	None	53.55	N/A
Mr. Ian Ying Woo	14 July 2021 and 3 April 2023	4 years	7 years from the date of grant	72.49 and 15.632	1,118,078	–	–	–	–	1,118,078	N/A	N/A	N/A	N/A
	5 April 2024	4 years	7 years from the date of grant	22.54	950,780	–	–	–	–	950,780	N/A	N/A	N/A	N/A
	1 April 2025	4 years	7 years from the date of grant	55.61	–	432,414	–	–	–	432,414	11,731,392	None	53.55	N/A

Name	Date of Grant	Vesting Period	Exercise Period	Exercise Price (HK$)	Outstanding as at 1 January 2025	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 31 December 2025	Fair value of the options at the date of grant (HK$)[1][3]	Performance targets[3]	Closing price of the Shares immediately before the date of grant (HK$)[3]	Weighted average closing price of Shares immediately before the date of exercise (HK)[2]
Mr. Shidong Jiang	Between 14 July 2021 and 1 April 2022	1 year	7 years from the date of grant	72.49 and 23.17	40,000	–	–	–	–	40,000	N/A	N/A	N/A	N/A
Mr. Yifan Li	Between 14 July 2021 and 1 April 2022	1 year	7 years from the date of grant	72.49 and 23.17	40,000	–	–	–	–	40,000	N/A	N/A	N/A	N/A
Other grantees by category														
Employee Participants	Between 6 May 2021 and 3 April 2023	4 years	7 years from the date of grant	Between 15.632 and 72.49	4,327,005	–	1,113,732	–	411,961	2,801,312	N/A	N/A	N/A	54.61
	5 April 2024	4 years	7 years from the date of grant	22.54	4,159,640	–	758,027	–	466,320	2,935,293	N/A	N/A	N/A	59.38
	2 October 2024	4 years	7 years from the date of grant	27.35	240,000	–	–	–	–	240,000	N/A	N/A	N/A	N/A
	1 April 2025	4 years	7 years from the date of grant	55.61	–	3,058,199	–	–	238,026	2,820,173	78,830,223	None	53.55	N/A
	2 October 2025	4 years	7 years from the date of grant	57.50	–	74,000	–	–	–	74,000	2,108,901	None	56.30	N/A
Total					**19,036,412**	**5,762,907**	**1,871,759**	**–**	**1,116,307**	**21,811,253**				

Notes:

(1) The fair values of the options are calculated in accordance with the accounting standards and policies adopted for preparing the Company's financial statements. The fair value is determined by reference to the fair value of the equity instrument as at the grant date, considering market performance conditions, excluding the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

(2) This information is in respect of options exercised during the Reporting Period.

(3) This information is in respect of options granted during the Reporting Period.

2. Post-IPO Share Award Scheme

A summary of the principal terms of the Post-IPO Share Award Scheme is set out below. Further details of the Post-IPO Share Award Scheme are set out in the Prospectus and the circular of the Company dated 24 May 2022.

Purpose

The purpose of the Post-IPO Share Award Scheme is to align the interests of eligible persons with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group.

Eligible Participants

Any individual, being an employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of our Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to our Group is eligible to receive a Post-IPO Award (as defined below). However, no individual who is resident in a place where the grant, acceptance or vesting of a Post-IPO Award pursuant to the Post-IPO Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Post-IPO Share Award Scheme.

Awards

An award under the Post-IPO Share Award Scheme (the "Post-IPO Award") gives a selected participant a conditional right, when the Shares vest, to obtain the Shares or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Post-IPO Award in Shares, the cash equivalent from the sale of the Shares.

Maximum Number of Shares Available for Grant

The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 18,684,519 Shares (the "Share Award Scheme Limit") without Shareholders' approval, subject to an annual limit of 2.5% of the total number of issued Shares at the time.

As at 1 January 2025, 9,013,428 Shares were available for grant under the Post-IPO Share Award Scheme. During the Reporting Period, no awards were granted to eligible participants pursuant to the Post-IPO Share Award Scheme. It follows that, as at 31 December 2025 and the Latest Practicable Date, 9,544,272 and 9,622,280 Shares were available for grant under the Post-IPO Share Award Scheme, respectively.

Maximum Number of Shares Available for Issue

As of 1 January 2025, 12,714,747 new Shares were available for issue under the Share Award Scheme Limit. During the Reporting Period, 1,478,636 new Shares were issued pursuant to the Post-IPO Share Award Scheme. It follows that, as at 31 December 2025 and the Latest Practicable Date, 11,236,111 new Shares (representing approximately 3.18% of the issued share capital of the Company as of the Latest Practicable Date) were available for issue under the Post-IPO Share Award Scheme Limit, respectively.

Maximum Entitlement of Each Participant

Save as otherwise restricted by the Share Award Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested Shares that may be granted to a selected participant under the Post-IPO Share Award Scheme.

Vesting Period

The Board or its delegate(s) may from time to time while the Post-IPO Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Consideration and Purchase Price

An amount of HK$1.00 is payable by the grantees upon acceptance of the awards granted under the Post-IPO Share Award Scheme. No purchase price is payable in respect of the Shares issued under the Post-IPO Share Award Scheme.

Remaining Life of the Post-IPO Share Award Scheme

The remaining life of the Post-IPO Share Award Scheme is approximately 5 years.

Outstanding Post-IPO Share Awards

Name	Date of Grant	Vesting Period	Purchase price	Unvested awards as at 1 January 2025	Granted during the Reporting Period	Vested during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Unvested as at 31 December 2025	Fair value of the awards at the date of grant (HK$)	Performance targets	Closing price of the Shares immediately before the date of grant (HK$)	Weighted average closing price of the Shares immediately before the date of vesting (HK$)[1]
Directors													
Mr. Yongqing Luo	19 September 2022	3 years	nil	600,000	–	360,000	120,000	–	120,000	N/A	N/A	N/A	49.33
	5 April 2024	4 years	nil	237,695	–	59,423	–	–	178,272	N/A	N/A	N/A	53.55
Mr. Ian Ying Woo	14 July 2021 and 1 April 2022	3-4 years	nil	208,248	–	141,582	–	–	66,666	N/A	N/A	N/A	53.30
	5 April 2024	4 years	nil	118,848	–	29,712	–	–	89,136	N/A	N/A	N/A	53.55
Other grantees by category													
Employee Participants	Between 6 May 2021 and 3 April 2023	4 years	nil	1,224,251	–	571,852	177,684	–	474,715	N/A	N/A	N/A	52.08
	5 April 2024	4 years	nil	1,193,429	–	286,355	233,160	–	673,914	N/A	N/A	N/A	53.55
	5 April 2024	4 years	nil	118,848	–	29,712	–	–	89,136	N/A	N/A	N/A	53.55
Total				**3,701,319**	**–**	**1,478,636**	**530,844**	**–**	**1,691,839**				

Note:

(1) This information is in respect of awards vested during the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURE

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

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with Rule 3.25 of the Listing Rules and the CG Code, the Company established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the Share Schemes. Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Notes 10, 11 and 36 to the consolidated financial statements.

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

For the year ended 31 December 2025, the aggregate amount of remuneration (including basic salaries, housing allowances, other allowances, and benefits in kind, contributions to pension plans, share-based payment and discretionary bonuses) for our Directors was approximately RMB80.8 million (as set out in Note 10 to the consolidated financial statements) including discretionary bonuses of a total sum of RMB23.5 million.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, none of our Directors controlled a business similar to principal business of our Group that competes or is likely to compete, either directly or indirectly, with our Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

CONNECTED TRANSACTIONS

Grant of awards

On 1 April 2025, the Company resolved to grant 298,571 performance target awards and 4,500 awards under the Pre-IPO ESOP, among which 205,911 performance target awards were granted to Mr. Yongqing Luo, 92,660 performance target awards were granted to Mr. Ian Ying Woo and 4,500 awards were granted to Ms. Heasun Park. The above grants of awards and performance target awards to the connected persons were approved by Independent Shareholders at the annual general meeting of the Company on 27 June 2025, and granted for, among other terms, nil consideration, and represent the right to receive one Share on the date the awards vest. The grants are part of the Company's remuneration policy and enable the Company to attract, retain, incentivize, reward and remunerate the grantees, and encourage them to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole. For further details, please refer to the announcements of the Company dated 1 April 2025 and the circular of the Company dated 3 June 2025.

On 10 October 2025, the Company resolved to grant Mr. Yifang Wu 530,303 awards under the Pre-IPO ESOP which was approved by Independent Shareholders at the extraordinary general meeting of the Company on 24 February 2026, and granted for, among other terms, nil consideration, and represent the right to receive one Share on the date the awards vest. The grant is a part of the Company's remuneration policy and enables the Company to attract, retain, incentivize, reward and remunerate the grantee, and encourage him to work towards enhancing the value of the Company and the Shares for the benefit of the Company and Shareholders as a whole. For further details, please refer to the announcements of the Company dated 10 October 2025 and the circular of the Company dated 4 February 2026.

2025 License Agreement

On 11 December 2025, Everest Medicines (China) Co., Ltd (the "Subsidiary"), a wholly-owned subsidiary of the Company and Hasten entered into a license agreement, pursuant to which Hasten granted the Subsidiary a non-transferable and non-assignable, exclusive (even as to Hasten and its affiliates) license, with the limited right to sublicense, under the licensor patent rights and licensor know-how solely to develop, commercialize, use, sell, offer to sell, export and import Lerodalcibep and products containing Lerodalcibep in the prevention, treatment or control of hypercholesterolemia or ASCVD in humans in the PRC, Hong Kong, the Macau Special Administrative Region, and Taiwan (the "2025 License Agreement").

Mr. Wei Fu and the CBC Group are substantial shareholders of the Company. C-Bridge Healthcare Fund V, L.P. indirectly holds a 54.07% interest in Hasten, while C-Bridge Healthcare Fund V, L.P.'s general partner is indirectly controlled by Mr. Fu Wei, and thus Hasten is an associate of Mr. Wei Fu and CBC Group. Accordingly, Hasten is a connected person of the Company and the transactions contemplated under the 2025 License Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The fee under the 2025 License Agreement comprises (i) an initial payment of US$29 million (approximately RMB205 million); (ii) potential development and regulatory milestone payments of up to US$30 million (approximately RMB212 million); and (iii) potential sales milestone payments of up to US$280 million (approximately RMB1,977 million). The Subsidiary shall pay to Hasten, royalties based on the total, aggregate annual net sales of the licensed product(s) (including all indications and formulations for such licensed product(s)) during the applicable royalty term for such licensed product(s). The royalty payable shall be payable on a quarterly basis and region-by-region basis and calculated based on the applicable tiered royalty rate which ranges from a high single digit percentage to a low- to mid-teen percentage.

The Directors are of the view that the strategic collaboration between the Company and Hasten would bring in a highly differentiated and commercially attractive asset that adds to the Company's late-stage product pipeline. The licensed compound also allows the Company to enrich its product pipeline and expand into cardiovascular, a competitively attractive therapeutic area where there are significant unmet medical needs.

For further details of 2025 License Agreement, please refer to the announcement of the Company dated 11 December 2025.

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Company did not conduct any continuing connected transactions. On 11 December 2025, the Subsidiary and Hasten entered into the commercialization service agreement, pursuant to which the Subsidiary shall provide the CSO services for the Products in the PRC (the "Commercialization Service Agreement"). The Commercialization Service Agreement was approved by Independent Shareholders at the extraordinary general meeting of the Company on 24 February 2026, upon which the Commercialization Service Agreement became effective. For further details, please refer to the announcement of the Company dated 11 December 2025 and circular of the Company dated 4 February 2026.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group for the year ended 31 December 2025 are set out in Note 36 to the consolidated financial statements, none of which constitute "connected transactions" or "continuing connected transactions" under Chapter 14A of the Listing Rules for which disclosure is required following the Listing. The Company has complied with the applicable disclosure requirements under Chapter 14A of the Listing Rules for the year ended 31 December 2025.

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

The Company allotted and issued 22,561,000 Shares at HK$69.7 per Share on 1 August 2025 in accordance with the terms and conditions of a placing and subscription agreement. For further details, please refer to the section headed "USE OF NET PROCEEDS FROM THE GLOBAL OFFERING AND THE PLACING" below and the announcements of the Company dated 25 July 2025 and 1 August 2025. Save as disclosed above, the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period. As at 31 December 2025, the Company did not hold any treasury shares.

MATERIAL LITIGATION

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

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING AND THE PLACING

The Shares were listed on the Stock Exchange on 9 October 2020 with a total of 73,079,000 offer Shares (including Shares issued as a result of the full exercise of the over-allotment option) issued and the net proceeds raised during the Global Offering were approximately HK$3,795 million. Save as disclosed in the note in the same section of the 2022 annual report of the Company, there was no change in the intended use of net proceeds as previously disclosed in the Prospectus.

Set out below is the status of the use of proceeds from the Global Offering as at 31 December 2025.

Purpose	% of use of proceeds	Net proceeds (HK$ million)	Utilised for the year ended 31 December 2024 (HK$ million)	Unutilised amount as at 31 December 2025 (HK$ million)	Utilised for the year ended 31 December 2025 (HK$ million)	Unutilised amount as at 31 December 2025 (HK$ million)
Funding ongoing and planned clinical trials (including any potential clinical studies for new indications if appropriate), preparation for registration filings and other steps or activities related to commercialization (including provision of scientific and clinical support by medical affairs team, key opinion leader development, strategic planning and market access analysis) of eravacycline, one of our Core Drug Candidates	15%	569	90	–	–	–
Funding ongoing and planned clinical trials (including any potential clinical studies for new indications if appropriate), preparation for registration filings and other steps or activities related to commercialization (including provision of scientific and clinical support by medical affairs team, key opinion leader development, strategic planning and market access analysis) of etrasimod, one of our Core Drug Candidates	15%	569	93	176	122	54

Purpose	% of use of proceeds	Net proceeds (HK$ million)	Utilised for the year ended 31 December 2024 (HK$ million)	Unutilised amount as at 31 December 2025 (HK$ million)	Utilised for the year ended 31 December 2025 (HK$ million)	Unutilised amount as at 31 December 2025 (HK$ million)
Funding ongoing and planned clinical trials, preparation for registration filings and potential commercialization of sacituzumab govitecan-hziy	20%	759	–	–	–	–
Funding ongoing and planned clinical trials, preparation for registration filings and potential commercialization of NEFECON®	10%	380	–	–	–	–
Funding ongoing and planned clinical trials, preparation for registration filings and potential commercialization of other drug candidates in our pipeline	15%	569	–	–	–	–
Funding our business development activities and the expansion of our drug pipeline. To further expand our portfolio, we will continue to bring in high value and differentiated innovative assets with attractive risk-return profiles for our four current core therapeutic areas	15%	569	–	–	–	–
Working capital and general and administrative purposes	10%	380	–	–	–	–
Total	**100%**	**3,795**	**183**	**176**	**122**	**54**

The Company expects to gradually apply the above remaining unutilized proceeds in accordance with the intended purposes and fully utilize the proceeds by the first half of 2026. This expected timeline is based on best estimation on future market conditions and business operations made by the Company, and remains subject to changes based on current and future development of market conditions and actual business needs.

References are made to the announcements of the Company dated 25 July 2025 and 1 August 2025. 22,561,000 Shares were successfully placed by the placement agents to not less than six placees at the purchase price of HK$69.7 per Share on 30 July 2025, and the Company allotted and issued 22,561,000 Shares at HK$69.7 per Share on 1 August 2025 in accordance with the terms and conditions of the placing and subscription agreement. The market price on 24 July 2025, being the last trading day prior to the signing of the placing and subscription agreement, is HK$77.55 per Share. The net price of the subscription Share is approximately HK$68.85 and the aggregate nominal value of the subscription Shares are US$2,256.10. The net proceeds from the subscription (after deducting all applicable costs and expenses, including commission and levies) amounted to approximately HK$1,553.39 million. Set out below is the status of the use of proceeds from the Placing as at 31 December 2025.

Purpose	% of use of proceeds	Net proceeds (HK$ million)	Utilised for the year ended 31 December 2025 (HK$ million)	Unutilised amount as at 31 December 2025 (HK$ million)
Global research and development of pipeline products, such as further development of the proprietary mRNA technology platform and its pipeline assets in cancer and autoimmune diseases, and the global clinical development of the EVER001, a BTK inhibitor pipeline for the treatment of primary membranous nephropathy, and other autoimmune driven renal diseases, etc.	50%	777	81	696
Continued commercialization efforts, including the launch of new products, including XERAVA® , NEFECON® , and VELSIPITY®, etc. in the Company's territories, and the expansion and optimization of the Group's supply chain, etc.	40%	621	38	583
Working capital and general and administrative purposes, including general business operation and business development, etc.	10%	155	14	141
Total	**100%**	**1,553**	**133**	**1,420**

The Company expects to gradually apply the above remaining unutilized proceeds in accordance with the intended purposes and fully utilize the proceeds by the second half of 2027. This expected timeline is based on best estimation on future market conditions and business operations made by the Company, and remains subject to changes based on current and future development of market conditions and actual business needs.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Company had maintained the prescribed percentage of public float under the Listing Rules during the Reporting Period.

AUDITOR

PricewaterhouseCoopers resigned as the auditor of the Company with effect from 15 November 2024. The Company appointed EY as the external auditor with effect from 15 November 2024 to fill the casual vacancy following the resignation of PwC and EY was re-appointed at the annual general meeting of the Company on 27 June 2025 to hold office until the upcoming annual general meeting of the Company. Save as disclosed above, there were no other changes in auditor of the Company in the preceding three years.

The consolidated financial statements of the Group have been audited by EY, Certified Public Accountants and Registered Public Interest Entity Auditor, who will retire and, being eligible, offer themselves for reappointment at the AGM.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

On 26 January 2026, Everest Medicines Trading (Shanghai) Co., Ltd. (as lessee), a wholly-owned subsidiary of the Company, enter into a lease agreement with Kang Pu (Shanghai) Medical Technology Co., Ltd. (as lessor), in respect of the lease of the premises located in 1/F., to 4/F., Building 8 (Block G), Kangpu Life Science Industrial Park, No. 1718 & 1788 Xinyuan Road, Xianghuaqiao Street, Qingpu District, Shanghai, the PRC for a initial term of 36 moths commencing from 1 February 2026 to 31 January 2029 at the rent of RMB418,243.28 per moth (including tax). Details of the transaction are disclosed in the Company's announcement dated 26 January 2026.

On 17 March 2026, the Company entered into a letter of intent (the "Letter of Intent") with Hasten Biopharmaceuticals (Asia) Limited (the "Seller") in relation to the possible acquisition of the entire equity interest in Hasten Biopharmaceuticals (SG) Pte. Ltd., a wholly-owned subsidiary of the Seller (the "Target Company"). The Company shall pay to the Seller a refundable deposit of RMB200,000,000 under the Letter of Intent and is granted the exclusivity in the six months following the date of the Letter of Intent. Details of the transaction are disclosed in the Company's announcement dated 17 March 2026.

On 23 March 2026, Everest Medicines (Singapore) Pte. Ltd. (the "Buyer"), a wholly-owned subsidiary of the Company, and Corxel Pharmaceuticals Hong Kong Limited (the "Seller") entered into the asset purchase agreement, pursuant to which, the Buyer agreed to acquire, and the Seller agreed to sell, the legal and beneficial right, title and interest in and to any and all assets, properties and rights relating to the development, manufacture or exploitation of any pharmaceutical product that uses a device to deliver the etripamil (as the sole active ingredient) by nasal spray in the PRC, including Chinese Mainland, Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan at a consideration of up to US$50 million (approximately RMB344,895,000). Details of the transaction are disclosed in the Company's announcement dated 23 March 2026.

Save as disclosed in this annual report, no important events affecting the Company occurred since the end of the Reporting Period and up to the Latest Practicable Date.

By the order of the Board
Mr. Yifang Wu
Chairman
Hong Kong
25 March 2026

Directors and Senior Management

As at the Latest Practicable Date, the Board consisted of three executive Directors, three non-executive Directors and three independent non-executive Directors.

DIRECTORS

Executive Directors

Mr. Yifang Wu (吳以芳), aged 56, was appointed as an executive Director, chairman of the Board, chairperson of the Nomination Committee and member of the Remuneration Committee on 10 October 2025. Mr. Wu has more than 35 years of experience in the biopharmaceutical industry. Mr. Wu will be responsible for leading the Board in setting the Company's strategic direction, providing guidance to the senior management, and overseeing key initiatives in strategic transactions, R&D strategy, and stakeholder engagement. He is currently an Executive Operating Partner of CBC Group, a substantial shareholder of the Company. He has also been a non-executive director of Sisram Medical Ltd (Stock Exchange stock code: 1696) since October 2016.

Prior to joining the Group, Mr. Wu worked at Fosun Pharma Group from April 2004 to September 2025 and successively held various positions, including senior vice president, chief operating officer, president, and chief executive officer of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司) ("Fosun Pharma") (Stock Exchange stock code: 2196 and Shanghai Stock Exchange stock code: 600196.SH). Mr. Wu was an executive director of Fosun Pharma from August 2016 to April 2025 and the chairman of the board of Fosun Pharma from October 2020 to April 2025. He was re-designated as a non-executive director of Fosun Pharma from April 2025 to September 2025. In addition, he was also a non-executive director of Shanghai Henlius Biotech, Inc.* (上海複宏漢霖生物技術股份有限公司) (Stock Exchange stock code: 2696) from June 2015 to August 2025.

Prior to that, Mr. Wu held various positions in Xuzhou Biochemical Pharmaceutical Factory* (徐州生物化學製藥廠), Xuzhou (Wanbang) Biopharmaceuticals Manufactures Plant* (徐州(萬邦)生物化學製藥廠), Xuzhou Wanbang Biochemical Pharmaceutical Co., Ltd.* (徐州萬邦生化製藥有限公司) and Jiangsu Wanbang Biopharmaceutical Co., Ltd.* (江蘇萬邦生化醫藥股份有限公司) (which were predecessors of Jiangsu Wanbang Biopharmaceutical Company Limited* (江蘇萬邦生化醫藥集團有限責任公司)). Mr. Wu obtained an executive master of business administration (EMBA) from Saint Joseph's University in the United States in 2005.

Mr. Yongqing Luo (羅永慶), aged 56, was appointed as an executive Director and Chief Executive Officer of the Company on 19 September 2022. He is a director of certain subsidiaries of the Company. Mr. Luo has more than 25 years of experience in the healthcare industry. Mr. Luo was previously the president and general manager of Greater China of Brii Biosciences Limited (HKEX: 2137) from 11 September 2020 to 15 September 2022 and its executive director from 30 March 2021 to 15 September 2022, and the chief executive officer of a subsidiary of Brii Biosciences Limited, TSB Therapeutics, from December 2021 to 15 September 2022. From September 2016 to September 2020, he was the global vice president and general manager of China of Gilead Sciences, Inc., during which he helped to build Gilead Sciences, Inc.'s presence in China. He led the clinical development, regulatory approval process and successful commercial launch of eight innovative products as well as established a unique business model encompassing science, commercialization and patient access. Prior to that, he held senior positions in multiple multinational pharmaceutical companies including Roche and Novartis.

Mr. Luo received his medical education from Xiangya School of Medicine, Central-South University, in China and graduated in July 1992, and then served for three years as a surgeon at St. Luke's Hospital, Shanghai, from July 1992 to July 1995. He obtained an executive master of business administration from China Europe International Business School in China in September 2006.

Mr. Ian Ying Woo (何穎), aged 53, is an executive Director and our president and chief financial officer. Mr. Woo was appointed as our Director in December 2018 and was re-designated as an executive Director in July 2020. Mr. Woo is also a director of certain subsidiaries of the Company.

Mr. Woo is an operating partner of CBC Group and served as a managing director of CBC Group from June 2018 to June 2019. Prior to joining our Company in June 2018, Mr. Woo served as a managing director in the healthcare advisory team at Lazard Frères & Co. LLC ("LFNY"), a subsidiary of the financial advisory and asset management firm Lazard Ltd (NYSE: LAZ). Mr. Woo joined LFNY in March 2005 and was based in New York until June 2018, other than from January 2012 to June 2016 during which period he worked at Lazard Asia (Hong Kong) Limited, LFNY's Hong Kong office and an SFC licensed corporation. Mr. Woo has been appointed as a director of NovaBridge Biosciences (NASDAQ: NMP) since October 2025. Mr. Woo was an independent director of Prenetics Global Ltd. (NASDAQ: PRE) from May 2022 to May 2024.

Mr. Woo received his bachelor's degree in biology from Tufts University in the United States in May 1994, his master's degree in cellular, molecular and biomedical studies from the Columbia University Graduate School of Arts and Sciences in the United States in May 1998 and his master of business administration degree from the Columbia University Graduate School of Business in the United States in May 2003.

Non-executive Directors

Mr. Wei Fu (傅唯), aged 43, was re-designated as a non-executive Director and honorary chairman of the Board on 10 October 2025. Mr. Fu was appointed as our Director in July 2017 and was previously re-designated as an executive Director in July 2020.

Mr. Fu has served as the chief executive officer and managing director of CBC Group, a healthcare dedicated private equity firm, since April 2014. From August 2011 to December 2013, Mr. Fu served as the general manager of the investment department at a wholly-owned subsidiary of Far East Horizon Limited, a financial services organization listed on the Stock Exchange (HKEX: 3360). From March 2008 to April 2010, Mr. Fu worked as an associate director at Standard Chartered Business Consulting (Beijing) Co., Ltd., where he was mainly responsible for private equity investments in infrastructure projects. From July 2006 to March 2008, Mr. Fu worked at Macquarie Capital (Singapore) Pte. Limited, where his last position was as a business analyst. Mr. Fu has been a director of I-Mab (NASDAQ: IMAB) since June 2018.

Mr. Fu received his bachelor's degree in electrical and electronic engineering from Nanyang Technological University in Singapore in February 2005.

Mr. William Ki Chul Cho (曹基哲), aged 48, was appointed as a non-executive Director on 12 January 2024. He is currently a Senior Managing Director of CBC Group where he is a member of the Management Committee and helps lead the portfolio management and private equity investments functions of CBC Group.

Prior to joining CBC Group in 2023, he was the Chief Financial Officer of Zai Lab Limited (stock code: 9688.hk) from March 2018 to July 2023. Mr. Cho also served as Managing Director and Head of Asia Healthcare Investment Banking at Citigroup from 2011 to 2018. Based in Hong Kong since 2011, Mr. Cho was responsible for healthcare client coverage at Citigroup across the Asia Pacific region and led many biopharma transactions in China. Prior to this, he was based in the United States, involved in healthcare investment banking and also spent time in corporate development for a pharmaceutical services company. Mr. Cho started his career at Ernst & Young LLP as an auditor in the healthcare group. Mr. Cho was appointed as a non-executive director of Hugel Inc. (KOSDAQ: 145020) on 29 March 2024.

Mr. Cho obtained his MBA degree from the Wharton School of the University of Pennsylvania, his Master degree in Accounting from the University of Virginia, and his Bachelor's degree in Business Administration from the University of Southern California's Marshall School of Business.

Mr. Xin Sun (孫欣), aged 45, was appointed as a non-executive director on 11 December 2025, is currently a managing director and co-head of Private Equity Investment at CBC Group, a substantial shareholder of the Company. He has over 20 years of experience in private equity, investment banking and the healthcare industry. Prior to joining CBC Group, Mr. Sun was most recently a managing director at Hillhouse Investment, a global investment management firm based in Asia. He was a key member of the healthcare private equity team since 2017, where he led over 30 investments and deployed over USD3 billion of investments across various stages from growth equity to leveraged buyout. He covered multiple sub-sectors including pharmaceuticals/biotech, medical devices and healthcare services. Prior to joining Hillhouse, he was a vice president at Affinity Equity Partners, an Asia-focused private equity fund based in Hong Kong. Prior to that, he worked in the investment banking division of Goldman Sachs in New York, with a focus on healthcare M&A and financing. He started his career in the pharmaceuticals/biotech industry as a research scientist at Boehringer Ingelheim and Genentech, respectively. Mr. Sun was the non-executive director of Luye Pharma Group Limited (stock code: 2186) from 8 February 2021 to 6 December 2023 and Shanghai MicroPort MedBot (Group) Co., Ltd. (stock code: 2252) from 17 September 2020 to 29 December 2023 respectively.

Mr. Sun received his MBA from Columbia Business School, his master's degree in Molecular Genetics from Duke University and bachelor's degree in Biological Sciences from Peking University.

Independent Non-executive Directors

Mr. Shidong Jiang (蔣世東), aged 58, was appointed as an independent non-executive Director and a member of the Audit Committee and Remuneration Committee in September 2020.

Mr. Jiang has over a decade of experience in the pharmaceutical industry and served as the Head of Sales and Marketing of Beijing Astellas Medical Co., Ltd. (北京安斯泰來醫藥有限公司) to oversee both Hospital & Specialty Business Unit and Oncology Business Unit from 1 January 2022 to 15 January 2024. He was previously the general manager of Hemony Pharma Co., Ltd., a private pharmaceuticals business in China, including in 2017, the chief executive officer of Hisun-Pfizer Pharmaceuticals Ltd., a joint venture between Pfizer Inc. (NYSE: PFE) and Zhejiang Hisun Pharmaceuticals Co., Ltd. (SSE: 600267), in 2015, the president of St. Jude Medical (Shanghai) Limited, St. Jude Medical, Inc.'s (NYSE: STJ, delisted) Chinese subsidiary, including in 2012, and employed by the Pfizer Inc. (NYSE: PFE) pharmaceutical group including as general manager for specialty/anti-infectives in 2010 and 2011.

Mr. Jiang received his bachelor's degree in power engineering from the Dalian University of Technology in Dalian, China in July 1989.

Mr. Yifan Li (李軼梵), aged 58, was appointed as an independent non-executive Director, chairperson of the Audit Committee and member of the Nomination Committee in September 2020.

Mr. Li served as chief financial & investment advisor of Human Horizons Group Inc. between April 2022 to December 2023, and served as its chief financial officer between April 2021 and March 2022. He served as a vice president of Zhejiang Geely Holding Group Co., Ltd. from October 2014 to April 2021, a chief financial officer of Sanpower Group Limited from May 2014 to September 2014, and of China Zenix Auto International Limited (NYSE: ZXAIY) from December 2010 to February 2014. Mr. Li has been an independent non-executive director of Frontage Holdings Corporation (HKEX: 1521) since April 2018 and Xinyuan Property Management Service (Cayman) Ltd. (HKEX: 1895) since September 2019. He has also been an independent director of Xinyuan Real Estate Co., Ltd. (NYSE: XIN) since February 2017, Qudian Inc. (NYSE: QD) since October 2017, and 36Kr Holdings Inc. (NASDAQ: KRKR) since November 2019. Mr. Li was a director of Zhejiang Qianjiang Motocycle Co., Ltd. (SZSE: 000913) from November 2016 to April 2018. He was an independent director of Sunlands Technology Group (formerly known as Sunlands Online Education Group) (NYSE: STG) from July 2019 to May 2024, Heilongjiang Interchina Water Treatment Co., Ltd. (SSE: 600187) from May 2015 to May 2021 and Zhejiang Tiantie Industry Co., Ltd. (SZSE: 300587) from December 2017 to April 2021 and Shanghai International Port Group Co., Ltd. (SSE: 600018) from September 2015 to September 2021.

Mr. Li received his bachelor's degree of economics in world economy from Fudan University in China in July 1989, his master's degree in management and administrative sciences from the University of Texas at Dallas in the United States in May 1994 and his master of business administration from the University of Chicago in the United States in June 2000.

Mr. Li is a certified public accountant in the United States and a chartered global management accountant with the American Institute of Certified Public Accountants.

Ms. Hoi Yam Chui (徐海音) (alias: **徐海瑛**) (former name: **徐海英**), aged 59, was appointed as an independent non-executive Director, chairperson of the Remuneration Committee and member of the Audit Committee and Nomination Committee on 19 January 2023.

Ms. Chui was appointed as an independent non-executive director of Abbisko Cayman Limited (和譽開曼有限責任公司), a company listed on the Stock Exchange (HKEX: 2256), on 28 February 2025. Ms. Chui has served as an independent non-executive director of TransThera Sciences (Nanjing), Inc. (藥捷安康(南京)科技股份有限公司), a company listed on the Stock Exchange (HKEX: 2617), since October 2022. TransThera Sciences (Nanjing), Inc. was listed on the Stock Exchange on 23 June 2025.

Previously, Ms. Chui was also an executive director of China Biotech Services Holdings Limited (中國生物科技服務控股有限公司), a company listed on the GEM of the Stock Exchange (stock code: 8037), from December 2022 to June 2023 and redesignated as a non-executive director from 30 June 2023 to 13 June 2024. She was president of Harbin Pharmaceutical Group Co., Ltd. (哈藥集團股份有限公司) ("Harbin Pharmaceutical"), a company listed on the Shanghai Stock Exchange (stock code: 600664), from March 2019 to May 2022 and a director of Harbin Pharmaceutical from January 2021 to May 2022, where she was responsible for the overall business operation. Ms. Chui has previously also worked in China Hewlett-Packard Co., Ltd. and Novartis International. Ms. Chui received her bachelor's degree in Economic Administration and master's degree in Finance from Peking University, the People's Republic of China in July 1990 and July 2001, respectively.

SENIOR MANAGEMENT

Mr. Wenjun Liu (劉文軍), aged 36, has been appointed as Co-President & Chief Commercial Officer since 1 March 2026. He is responsible for formulating and executing the Company's overall commercial strategy, leading various key functions to ensure sustainable business growth and market leading position.

Mr. Liu started his business at MSD, where he was honored with various National Top Sales awards and received special approval for early promotion. Subsequently, he joined Hengrui Medicine. Over nearly a decade, he achieved rapid advancement, progressing from sales office supervisor to District Manager, Province Manager, Regional Director, and ultimately to Deputy General Manager of Hengrui Integrated Business Division and Head of the Metabolism & Pain Franchise, becoming the youngest senior commercial leader of the enterprise. During this period, Mr. Liu delivered numerous outstanding achievements, including establishing brand influence in the metabolism and endocrinology field, elevating the market share of diabetes to second place nationwide among comparable products, driving a threefold increase in sales of innovative products, and achieving significant breakthroughs in market access. Simultaneously, he successfully built a highly collaborative and cohesive professional team. Since September 2025, he has served as Chief Executive Officer and General Manager of Hasten.

Mr. Liu holds a bachelor's degree from China Pharmaceutical University.

Mr. Jason Brown, Ph.D., aged 54, has served as our chief business officer since August 2019. Dr. Brown joined us as our senior vice president, business development in July 2017.

Dr. Brown served as a managing director of CBC Group from October 2016 to July 2018 and now serves as an operating partner of CBC Group. From July 2007 to June 2016, Dr. Brown held multiple positions at Thomas, McNerney & Partners, a healthcare venture firm that invests in life science and medical technology companies, and his last position held was partner. From June 2003 to June 2007, Dr. Brown was employed by Forward Ventures, a life science venture capital firm located in San Diego, California, and his last position held was associate.

Dr. Brown received his bachelor's degree in biochemistry and molecular biology from Purdue University in the United States in May 1993 and his Ph.D. in biology from the University of California, San Diego in the United States in June 2000.

Mr. Xu Liang Rico (梁旭), aged 58, has been appointed Chief Product Officer overseeing the Company's medical affairs and marketing departments since February 2024. He also served as the Co-Chief Commercial Officer of the Company. Mr. Liang has more than two decades of experience in the pharmaceutical industry, especially in medical affairs, marketing & sales management, and clinical operation. He also has experience in helping build out from scratch a fully functional company in China with innovative and highly effective operation systems. Previously, he was general manager of Greater China at Brii Biosciences, responsible for commercialization, government affairs, regulatory affairs, and medical Affairs. Prior to Brii, Mr. Liang held several leadership positions in Gilead China including Executive Director and was responsible for commercial strategy design and implementation, and leading the marketing team to successfully deliver product launches for innovative treatments. In addition, he held various positions in Roche, Novartis and Amgen.

He holds his bachelor's degree of clinical medicine from Capital University and received MBA from Macquarie University in Australia.

Mr. Chonggang Xu Steve (許崇剛), aged 57, has been appointed as Chief Operations Officer since March 2025. Mr. Xu had nearly thirty-five years of management experience and notable achievements from his time with well-known management consulting firms and several large multinational corporations. Before joining Everest, he served as Managing Director at CBC Group and also played a role in the early establishment of Everest. At CBC Group, he was in charge of developing robust compliance and governance frameworks for newly acquired/incubated investment portfolios, optimizing their financial quality, and enhancing supply chain management, financial quality and operational efficiency to improve portfolio profitability.

He holds a Bachelor's degree in Accounting and Auditing from Shanghai University of Finance and Economics, an Executive MBA from China Europe International Business School, and is a Certified Public Accountant in China.

Ms. Wei Jennifer Yang, Ph.D (楊煒), aged 57, has served as chief scientific officer since April 2021. Dr. Yang has more than 20 years of drug discovery and development experience in pharmaceutical companies. Before joining Everest Medicines, Dr. Yang was a vice president, head of China Lung Cancer Initiative at Johnson and Johnson from 2019 to 2021.

Dr. Yang transitioned into this role from Janssen China R&D, where she spent 6 years as a senior director, head of discovery center. Prior to Johnson and Johnson, Dr. Yang held various leadership positions at Eli Lilly and Company in Indianapolis from 2002 to 2010 and Pfizer Oncology in La Jolla from 2010 to 2012. Dr. Yang received her bachelor's degree from Fudan University in China and Ph.D. from Eccles Institute of Human Genetics at University of Utah.

JOINT COMPANY SECRETARIES

Mr. King Hang Yeung (楊景行), aged 35, was appointed as the joint company secretary while Ms. Leah Liu (劉栩昕) resigned as a joint company secretary of the Company with effect from 15 April 2025. Mr. Yeung is a chartered secretary, a corporate governance professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Ms. Yee Wa Lau (劉綺華), aged 53, is our joint company secretary and a director of corporate services of Tricor Services Limited. She is a chartered secretary, a corporate governance professional and an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom. Ms. Lau received her bachelor's degree in business administrative management from the University of South Australia.

Ms. Lau has over 20 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Lau is currently the named company secretary of several listed companies on the Stock Exchange, including, BAIOO Family Interactive Limited (HKEX: 2100), Meituan (HKEX: 3690), Transmit Entertainment Limited (HKEX: 1326), Li Auto Inc. (HKEX: 2015), Zhihu Inc. (HKEX: 2390), KE Holdings Inc. (HKEX: 2423), RoboSense Technology Co., Ltd. (HKEX: 2498), Aux Electronic Co., Ltd. (HKEX: 2580) and OmniVision Integrated Circuits Group, Inc. (HKEX: 0501).

Corporate Governance Report

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

CORPORATE GOVERNANCE CULTURE

The Company is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that Shareholder wealth will be maximized in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

— that the interests of those who deal with the Company are safeguarded;

— that overall business risk is understood and managed appropriately;

— the delivery of high-quality products and services to the satisfaction of customers; and

— that high standards of ethics are maintained.

CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices.

During the Reporting Period, the Company had complied with all applicable code provisions set out in the CG Code.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to all the Directors regarding their compliance with the Model Code during the Reporting Period and up to the Latest Practicable Date.

No incident of non-compliance of the Model Code by any Director or relevant employee during the Reporting has been noted by the Company.

BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and the collective responsibility for promoting the Company's success by directing and supervising the Company's affairs. Directors take decisions objectively in the best interests of the Company.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities.

During the Reporting Period and as at the Latest Practicable Date, the Board comprised three executive Directors, three non-executive Directors and three independent non-executive Directors. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which would allow it to effectively exercise independent judgement.

BOARD COMPOSITION

The composition of the Board during the Reporting Period and as at the date of this annual report is as follows:

Executive Directors

Mr. Yifang Wu (吳以芳) *(Chairman of the Board)* (appointed with effect from 10 October 2025)
Mr. Yongqing Luo (羅永慶)
Mr. Ian Ying Woo (何穎)

Non-Executive Directors

Mr. Wei Fu (傅唯) *(Honorary chairman of the Board)* (re-designated with effect from 10 October 2025 from executive Director)
Mr. William Ki Chul Cho (曹基哲)
Mr. Honggang Feng (馮洪剛) (resigned with effect from 10 October 2025)
Mr. Xin Sun (孫欣) (appointed with effect from 11 December 2025)

Independent Non-executive Directors

Mr. Shidong Jiang (蔣世東)
Mr. Yifan Li (李軼梵)
Ms. Hoi Yam Chui (徐海音)

During the Reporting Period, the Company appointed Mr. Yifang Wu as executive Director, redesignated Mr. Wei Fu from executive Director to non-executive Director on 10 October 2025, and appointed Mr. Xin Sun as the non-executive Director on 11 December 2025. Each of Mr. Yifang Wu and Mr. Xin Sun obtained legal advice from Hong Kong legal advisers on 7 October 2025 and 24 November 2025, respectively, as required under Rule 3.09D of the Listing Rules and confirmed they understood their obligations as a director of a listed issuer.

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" on pages 72 to 79 of this annual report.

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of Chairman and Chief Executive Officer are held by Mr. Yifang Wu and Mr. Yongqing Luo, respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and the daily management and operations generally. Their respective responsibilities are clearly defined and set out in writing.

BOARD MEETINGS, COMMITTEE MEETINGS AND GENERAL MEETINGS

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

During the year ended 31 December 2025, 4 Board meetings and 1 general meeting were held. The significant matters related to the Group's business activities and operations were appropriately addressed through either thorough reporting, discussion, and resolution during the three regular Board meetings or by utilizing written resolutions to facilitate prompt decision-making for commercial purposes. Throughout the Reporting Period, the Directors were furnished with pertinent information concerning the Company's operations and financial performance. Sufficient measures were taken to ensure effective communication among the Directors.

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

Name of Director	Board	Remuneration Committee	Nomination Committee	Audit Committee	General Meeting
Executive Directors:					
Mr. Yifang Wu[1]	1/1	N/A	N/A	–	N/A
Mr. Yongqing Luo	4/4	–	–	–	1/1
Mr. Ian Ying Woo	4/4	–	–	–	1/1
Non-executive Directors:					
Mr. Wei Fu[2]	4/4	1/1	1/1	–	1/1
Mr. William Ki Chul Cho	4/4	–	–	–	1/1
Mr. Honggang Feng[3]	3/3	–	–	–	1/1
Mr. Xin Sun[4]	1/1	–	–	–	N/A
Independent Non-executive Directors:					
Mr. Shidong Jiang	4/4	1/1	1/1	2/2	1/1
Mr. Yifan Li	4/4	1/1	1/1	2/2	1/1
Ms. Hoi Yam Chui	4/4	1/1	1/1	2/2	1/1

Notes:

(1) Mr. Yifang Wu was appointed as an executive Director with effect from 10 October 2025.

(2) Mr. Wei Fu was redesignated as a non-executive Director with effect from 10 October 2025.

(3) Mr. Honggang Feng resigned as a non-executive Director with effect from 10 October 2025.

(4) Mr. Xin Sun was appointed as an independent non-executive Director with effect from 11 December 2025.

Apart from regular Board meetings, the Chairman of the Board also held a meeting with the independent non-executive Directors without the presence of executive Directors during the Reporting Period.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

The Company confirms that the Board has received from each of the independent non-executive Directors, namely, Mr. Shidong Jiang, Mr. Yifan Li and Ms. Hoi Yam Chui, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules, and, having taken into account the factors set out in Rule 3.13 of the Listing Rules in assessing the independence of the independent non-executive Directors, the Company considers that each independent non-executive Director to be independent.

BOARD INDEPENDENT EVALUATION

The Board has established mechanisms to ensure independent views and input from any Director are conveyed to the Board. The Board includes a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which enables it effectively exercise independent judgement. External independent professional advice is available as and when required by individual Directors. The Board reviews annually the independence of the independent non-executive Directors, including but not limited to assessing the independence of non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Board also evaluates the board composition and its independence with reference to the requirements under the Listing Rules.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

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

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service agreement or a letter of appointment with the Company, and the term of service for each of them is three years from the date of appointment or reappointment. All the Directors are subject to retirement by rotation and re-election at annual general meeting.

At every annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy shall be subject to election by Shareholders at the first annual general meeting after appointment. The retiring Directors shall be eligible for re-election.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board assumes responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board, directly and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

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

The Directors shall disclose to the Company details of other offices held by them.

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

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

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

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee, and the Nomination Committee for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. During the Reporting Period, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Yifan Li, Mr. Shidong Jiang and Ms. Hoi Yam Chui. Mr. Yifan Li (being the independent non-executive Director with the appropriate professional qualifications) is the chairperson of the Audit Committee.

The primary duties of the Audit Committee include, without limitation to, the following:

- monitoring the integrity of our financial statements, annual reports, accounts, half-yearly reports and our compliance with the Listing Rules and legal requirements in relation to financial reporting;

- making recommendations to the Board on the appointment, reappointment and removal of external auditor, approving the remuneration and terms of engagement of external auditor, and monitoring the independence and objectivity of external auditors and the effectiveness of the audit process in accordance with applicable standards; and

- reviewing our financial controls, risk management (including ESG risks) and internal control systems; and dealing with other matters that are authorized by the Board.

During the Reporting Period, the Audit Committee met twice to review the Company's annual results and annual report for the year ended 31 December 2024 and the interim results and interim report for the six months ended 30 June 2025. During the meeting, the Audit Committee also reviewed the significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management (including ESG risks) and internal control systems and internal audit function, appointment of external auditors and engagement of non-audit services and relevant scope of works, and arrangements for employees to raise concerns about possible improprieties.

REMUNERATION COMMITTEE

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. During the Reporting Period, the Remuneration Committee consists of three Directors, namely, Ms. Hoi Yam Chui, Mr. Yifang Wu (being appointed on 10 October 2025), Mr. Wei Fu (resigned on 10 October 2025) and Mr. Shidong Jiang. Mr. Yifang Wu is an executive Director, Ms. Hoi Yam Chui and Mr. Shidong Jiang are independent non-executive Directors. Ms. Hoi Yam Chui is the chairperson of the Remuneration Committee.

The primary duties of the Remuneration Committee include, among other things:

- making recommendations to the Board on the Company's policy and structure for the executive Directors and senior management remuneration and on the compensation of non-executive Directors;
- evaluating the performance of Directors and senior management of our Company;
- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- establishing formal and transparent procedures for developing remuneration policy;
- reviewed and approved matters relating to share schemes under Chapter 17 of the Listing Rules, in particular regarding to vesting period, performance target and clawback mechanism of the grants; and
- dealing with other matters that are authorized by the Board.

During the Reporting Period, the Remuneration Committee met once. During such meeting, and as well as by way of written resolutions, the Remuneration Committee reviewed and recommended to the Board on the remuneration packages of individual executive Directors, senior management and the new Directors appointed during the Reporting Period.

Furthermore, the Remuneration Committee reviewed and approved the grants made under the Company's share schemes during the Reporting Period. In particular, in respect of the grant of share options and awards to the Directors and specified connected grantees during the Reporting Period, the Remuneration Committee considered that such grants with vesting dates which are less than 12 months to be appropriate as all the previous grants under the same mechanism is consistent with the prior practices of the Company so that the Company can attract, retain, incentivize, reward and remunerate the grantees and enhance operational efficiency. For the grants to Mr. Yongqing Luo, Mr. Ian Ying Woo and Mr. Yifang Wu, since vesting of certain awards granted to them are subject to the achievement of certain performance targets which align the interests of the grantee with that of the Company and the Shareholders, reward and provide incentive to the grantee to work towards success of the Group, and reinforce their commitment to long-term services of the Group, the Remuneration Committee is of the view that such arrangements are in line with the purpose of the Company's share schemes.

In addition, having considered that the grantees are Directors and senior managers of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group, the Remuneration Committee considered that such grants without performance targets are market competitive, consistent with the Company's remuneration policy and align with the purpose of the Company's share schemes.

For details of the grants of share options, awards and performance target awards, please refer to the announcements of the Company dated 1 April 2025, 2 October 2025, and 10 October 2025, and the circular of the Company dated 3 June 2025.

Details of the Directors' remuneration for the year ended 31 December 2025 are set out in Note 10 to the consolidated financial statements. The remuneration of the senior management of the Group by band for the year ended 31 December 2025 is set out below:

Remuneration bands (RMB)	Number of persons
RMB6,500,001–RMB7,000,000	1
RMB7,000,001–RMB7,500,000	1
RMB9,000,001–RMB9,500,000	1
RMB13,000,001–RMB13,500,000	1
RMB14,000,001–RMB14,500,000	1
Total	5

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the Company's performance and profitability, the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions and performance bonus. The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to their duties and responsibilities by the Board. Individual Directors and senior management have not been involved in deciding their own remuneration.

NOMINATION COMMITTEE

The Company established the Nomination Committee with written terms of reference in compliance with the CG Code. During the Reporting Period, the Nomination Committee consisted of three members, namely, Mr. Yifang Wu (being appointed on 10 October 2025), Mr. Wei Fu (resigned on 10 October 2025), Ms. Hoi Yam Chui and Mr. Yifan Li. Mr. Yifang Wu is an executive Director, Mr. Yifan Li and Ms. Hoi Yam Chui are independent non-executive Directors. Mr. Yifang Wu is the chairperson of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession.

The primary duties of the Nomination Committee include, among other things:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board composition to complement the Company's corporate strategies;
- assessing the independence of independent non-executive Directors and making recommendations to the Board on matters relating to the appointment or reappointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive of the Company;
- supporting the Company's regular evaluation of the Board Performance; and
- performing tasks as assigned by the Board from time to time.

During the Reporting Period, the Nomination Committee met once to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, the Board Diversity Policy (as defined below) and the Director Nomination Policy and consider the qualifications of the retiring Directors standing for election at the annual general meeting of the Company held on 27 June 2025 and by way of written resolutions and to identify and recommend individuals who are suitably qualified to become members of the Board.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining the Company's competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a director of the Company, the Nomination Committee should consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience (the "Measurable Objectives"). Pursuant to the Board Diversity Policy, the Nomination Committee discusses periodically and when necessary, agrees on the Measurable Objectives for achieving diversity, including gender diversity, on the Board and recommends them to the Board for adoption.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

Pursuant to the Board Diversity Policy, the Nomination Committee reviews annually the structure, size and composition of the Board and where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

For the purpose of implementation of the Board Diversity Policy, the following Measurable Objectives were adopted:

(A) at least one-third of the members of the Board shall be non-executive Directors or independent non-executive Directors;

(B) at least one-third of the members of the Board shall be independent non-executive Directors; and

(C) at least one of the members of the Board shall have obtained accounting or other professional qualifications.

The Board is committed to improving the diversity of the Board and has achieved the above Measurable Objectives since January 2023 and during the Reporting Period. The Board will continuously monitor the board diversity in annual basis.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness and will discuss periodically and, when necessary, agree on specific measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption.

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at the Latest Practicable Date:

	Female	Male
Board	11.1% (1)	88.9% (8)
Senior Management	20.0% (1)	80.0% (4)
Other employees	57.1% (456)	42.9% (342)
Overall workforce	56.5% (459)	43.5% (353)

The Company has been taking, and will continue to take, steps to promote gender diversity at the Board and management levels. In particular, our chief scientific officer is female and form part of our senior management team. Going forward, we will continue to work to enhance gender diversity of the Board.

The Company targets to maintain a Board with female representation, and gender diversity is achieved in respect of the Board. For the year ended 31 December 2025, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. As at the date of this annual report, the Board consists of one female and eight male Directors. It is considered that the current Board composition is well-balanced and appropriate for the business of the Company. The Nomination Committee will continue to use its best endeavors and on suitable basis to identify and recommend multiple suitable female candidates to the Board for its consideration on appointment of a Director.

The Company will continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of the Board. Our Group will continue to emphasize training of female talent and providing long-term development opportunities for our female staff.

The Board had achieved over 50% of female employees of the Group and considers that the above current gender diversity is satisfactory.

Details on the gender ratio of the Group together with relevant data can be found in the "Environmental, Social and Governance Report".

DIRECTOR NOMINATION POLICY

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

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

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

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

- reputation for integrity;
- professional qualifications and skills;
- accomplishment and experience in the private education sector;
- commitment in respect of available time and relevant interest;
- independence of proposed independent non-executive Directors; and
- diversity in all aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

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

During the year ended 31 December 2025, the Nomination Committee recommended to the Board the appointment of Mr. Yifang Wu as an executive Director, the redesignation and the appointment of two non-executive Directors, namely Mr. Wei Fu and Mr. Xin Sun, respectively. The appointments were subject to a stringent nomination process in accordance with the Director Nomination Policy and the Board Diversity Policy, to ensure the Board possesses the necessary skills, experience and knowledge in alignment with the Company's strategy.

The Nomination Committee will review the Director Nomination Policy, from time to time and as appropriate, to ensure its effectiveness.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

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

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

DIVIDEND POLICY

The Company has adopted a dividend policy on payment of dividends in accordance with the CG Code.

The Company does not have any pre-determined dividend payout ratio. According to the dividend policy, payment of dividends depends on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the Shareholders' approval.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The statement of the independent auditor of the Company, Ernst & Young, about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 103 to 108 of this annual report.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

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

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

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for the Directors would be arranged and reading material on relevant topics would be provided to the Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2025, the Directors have attended seminars and training sessions arranged by professional/financial institutions, and have read relevant materials relating to regulatory updates, accounting, financial or professional skills and/or directors' duties and responsibilities.

Name of Director	Directors' Training
Executive Directors:	
Mr. Yifang Wu[1]	✓
Mr. Yongqing Luo	✓
Mr. Ian Ying Woo	✓
Non-executive Directors:	
Mr. Wei Fu[2]	✓
Mr. William Ki Chul Cho	✓
Mr. Honggang Feng[3]	✓
Mr. Xin Sun[4]	✓
Independent Non-executive Directors:	
Mr. Shidong Jiang	✓
Mr. Yifan Li	✓
Ms. Hoi Yam Chui	✓

Notes:

(1) Mr. Yifang Wu was appointed as executive Director with effect from 10 October 2025.

(2) Mr. Wei Fu was redesignated as a non-executive Director with effect from 10 October 2025.

(3) Mr. Honggang Feng resigned as a non-executive Director with effect from 10 October 2025.

(4) Mr. Xin Sun was appointed as independent non-executive Director with effect from 11 December 2025.

AUDITORS' RESPONSIBILITY AND REMUNERATION

The Company appointed Ernst & Young ("EY") as the external auditor for the year ended 31 December 2025. A statement by EY about their reporting responsibilities for the financial statements is included in the Independent Auditors' Report on pages 103 to 108.

Fees for auditing services provided by EY for the year ended 31 December 2025 are included in Note 8 to the consolidated financial statements. The remuneration of RMB350,000 for the IT advisory service which is the non-audit service was paid to our external auditor for the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the Company's risk management and internal control systems and reviewing their effectiveness. The risk management and internal control measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

All relevant departments in the Company, including but not limited to the finance department, the legal department and the human resources department conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation is also conducted annually to confirm that control policies are properly complied with by each department.

The executive committee, in coordination with the senior management of the Company and department heads, assesses the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reports to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management (including ESG risks) and internal control systems for the year ended 31 December 2025.

During the Reporting Period, the Board had conducted an annual review of the effectiveness of the risk management (including ESG risks) and internal control system of the Company and considered the system effective and adequate. The annual review also covered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

RISK MANAGEMENT

The Company recognizes that risk management is critical to the success of the Group's business operation. Key operational risks faced by the Company include changes in the general market conditions and the regulatory environment of the Chinese and global pharmaceutical markets, the ability to develop, manufacture and commercialize the drug candidates, and the ability to compete with other pharmaceutical companies. The Company also face various market risks. In particular, the Company is exposed to credit, liquidity, interest rate and currency risks that arise in the normal course of the business.

The Company has adopted a consolidated set of risk management policies which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with the strategic objectives on an on-going basis. The Audit Committee, and ultimately the Directors, supervise the implementation of risk management policies. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated by the Group and reported to the Directors.

The following key principles outline the Group's approach to risk management and internal control:

- The executive committee which is comprised of senior management and functional heads will oversee and manage the overall risks associated with the business operations, including (i) reviewing and approving the risk management policy to ensure that it is consistent with the corporate objectives; (ii) reviewing and approving the corporate risk tolerance; (iii) monitoring the most significant risks associated with the business operation and the management's handling of such risks; (iv) reviewing the corporate risk in the light of corporate risk tolerance; and (v) monitoring and ensuring the appropriate application of risk management framework across the Group.

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

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

The Company considers that the Directors and members of the senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control. See "Directors and Senior Management" for details of their qualification and experiences.

INTERNAL CONTROL

The Board of the Company bears full and ultimate responsibility for establishing, maintaining and continuously overseeing the Company's internal control system, as well as conducting regular reviews to assess its adequacy, effectiveness and operational efficiency in line with applicable regulatory requirements and best corporate governance practices. In recognition of the pivotal role that robust internal control plays in safeguarding corporate assets, ensuring the accuracy and integrity of financial reporting, mitigating operational and compliance risks, and supporting sustainable business development, the Company has established a dedicated internal control function. This function is responsible for formulating, implementing, maintaining and optimising a sound and comprehensive internal control framework that covers all material aspects of the Group's operations.

Building upon this framework, the Company has formulated and implemented a full set of targeted measures, standardised procedures and control protocols to reinforce the effectiveness of internal control across all business segments and throughout its operations. Key initiatives include establishing a clear and well-defined authority and approval structure with strict segregation of duties to prevent conflicts of interest and unauthorised operations; implementing continuous monitoring and tracking mechanisms for the formulation, execution and delivery of strategic development plans to ensure operational alignment with strategic goals; designing and maintaining an efficient, accurate and reliable accounting and information management system to ensure the authenticity, completeness and timeliness of financial and operational information; imposing stringent access and confidentiality controls over sensitive corporate information, internal data and price-sensitive information to prevent information leakage and misuse; and establishing prompt response mechanisms and efficient communication channels with internal and external stakeholders, including shareholders, creditors, regulatory authorities and business partners. Collectively, these measures form integral pillars of the Company's comprehensive risk management system, enabling effective identification, assessment, mitigation and monitoring of various operational, financial and compliance risks.

To ensure the consistent implementation and embedding of internal control across the organisation, the Company integrates internal control compliance and awareness enhancement into its overall employee training and development system. It provides regular and systematic professional training on internal control policies, standard operating procedures, risk prevention knowledge and regulatory requirements to all employees at all levels, covering both new recruits during onboarding and existing employees through ongoing refresher training. In parallel, the dedicated internal control team and internal audit team conducts regular self-assessment and dynamic monitoring of the implementation status and effectiveness of internal control activities across the Company, promptly identifying control weaknesses, operational loopholes and potential risks in daily operations. Detailed reports on identified deficiencies and improvement proposals are submitted to senior management and relevant department heads in a timely manner, and the internal control team provides full-process follow-up and supervision over rectification and improvement actions to ensure that all identified issues are properly addressed and resolved within a specified timeframe.

Beyond system establishment and monitoring, internal control requirements are fully embedded into the Company's core business processes, ranging from business development, contract approval and fund management to asset supervision, forming a full-coverage and closed-loop control mechanism. This ensures that internal control becomes an indispensable and inherent part of the Company's daily operations, rather than an independent supplementary measure. To uphold a clean and compliant corporate culture and prevent corruption, bribery and unethical conduct, the Company has formulated and strictly enforced a formal code of conduct and business ethics policy that clearly sets out the behavioural norms, ethical standards and compliance obligations for all directors, supervisors, management and employees.

In addition, the Company has put in place an open, accessible and confidential internal reporting channel for suspected corruption, bribery and other non-compliant behaviours, together with a formal and comprehensive Whistleblowing Policy applicable to all employees and external parties dealing with the Company. This policy enables whistle-blowers to report concerns regarding any suspected improprieties, irregularities, violations of laws or regulations, or breaches of corporate ethics in connection with the Company's affairs, in strict confidence and on an anonymous basis if preferred, directly to the Company's compliance officer. The compliance officer conducts independent, fair and prudent investigations into all reported matters, performs in-depth verifications, and initiates appropriate follow-up actions, disciplinary measures or rectification plans in accordance with relevant policies and regulatory requirements, while fully protecting the legitimate rights and interests of whistleblowers against retaliation. The Company remains committed to fostering a culture of integrity, transparency and compliance through continuous anti-corruption and anti-bribery initiatives, including regular anti-corruption training, surprise compliance inspections and awareness-raising activities. Throughout the Reporting Period, no incidents of non-compliance relating to corruption, bribery or unethical conduct were recorded within the Company.

To further optimise internal control efficiency and strengthen risk prevention capabilities through digitalisation, the Company has been continuously upgrading and enhancing its comprehensive digital management platform, which incorporates built-in internal control logic and automated control modules. The platform supports automated verification of segregation of duties, standardised delegation of authority, and streamlined electronic approval workflows for key business and financial matters, effectively reducing risks arising from manual intervention and improving the accuracy and efficiency of control execution. Regular updates and iterations of the digital platform are carried out to adapt to the Company's evolving business scale, expanding operational scope, changing market environment and emerging potential risks, so as to maintain a robust, secure system that is fully aligned with the Company's overall internal control framework and governance requirements.

JOINT COMPANY SECRETARIES

Mr. King Hang Yeung (楊景行) and Ms. Yee Wa Lau (劉綺華) have been appointed as the Company's joint company secretaries. Ms. Yee Wa Lau is a director of corporate services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services, and assists Mr. King Hang Yeung in discharging his duties as a joint company secretary of the Company.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Mr. Yeung has been designated as the primary contact person at the Company which would work and communicate with Ms. Lau on the Company's corporate governance and secretarial and administrative matters.

For the Reporting Period, each of Mr. Yeung and Ms. Lau has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings ("EGM") by Shareholders and Putting Forward Proposals at General Meetings

Pursuant to article 12.3 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. EGMs shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to them by the Company.

Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening an extraordinary general meeting following the procedures set out in paragraph above.

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

Putting Forward Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company, for the attention of the Board by mail to 17/F., AIA Financial Center, 866 East Changzhi Road, Hongkou District, Shanghai 200082, China. The Company will not normally deal with verbal or anonymous enquiries.

Communication with Shareholders and Investors Relations

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the forthcoming annual general meeting, Directors (or their delegates as appropriate) will be available to meet Shareholders and answer their enquiries.

To promote effective communication, the Company maintains a website at www.everestmedicines.com, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

Shareholders' Communication Policy

The Company has in place a shareholders' communication policy (the "Shareholders' Communication Policy"). The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively. The Board reviewed the implementation and effectiveness of the Shareholders' Communication Policy and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkexnews.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules.

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. Memorandum and Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.everestmedicines.com).

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are the primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any).

(e) Shareholders' Enquiries

Enquiries about shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, by Online Feedback at https://www.computershare.com/hk/en/online_ feedback or calling its hotline at 2862 8555, or going in person to its public counter at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Enquiries about corporate governance or other matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send written enquiries to the Company, for the attention of the Board by mail to 17/F., AIA Financial Center, 866 East Changzhi Road, Hongkou District, Shanghai 200082, China.

Changes in Constitutional Documents

During the year ended 31 December 2025, the Company did not make any changes to its Articles of Association. An up-to-date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

Independent Auditor's Report

Ernst & Young
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Quarry Bay, Hong Kong

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To the shareholders of Everest Medicines Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Everest Medicines Limited (the "Company") and its subsidiaries (the "Group") set out on pages 109 to 210, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of in-process research and development ("IPR&D")

As at 31 December 2025, the Group had intangible assets of RMB1,400,491,000 for acquired IPR&D of drug candidates which are not ready for use, and the amount of such intangible assets was significant to the consolidated financial statements of the Group. During the year ended 31 December 2025, impairment loss on specific IPR&D amounting to RMB312,315,000 was recognised. The IPR&D is subject to impairment assessment at least on an annual basis, based on the recoverable amounts of the cash-generating unit ("CGU") to which the IPR&D is related.

Impairment assessment of IPR&D not ready for use was considered a key audit matter because it involved significant management estimates and judgements, including assumptions relating to the expected achievement of development milestones, forecasted revenue growth rate and discount rate.

Further details are disclosed in Note 2.4, Note 3 and Note 17 to the consolidated financial statements.

Our procedures performed in relation to management's impairment assessment of IPR&D mainly included the following:

- obtaining an understanding of key controls relating to management's impairment assessment of IPR&D, including significant estimates and judgements applied;
- assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud;
- assessing the reasonableness of management's identification of cash-generating units based on the Group's accounting policies and business arrangements;
- inquiring of management and inspecting relevant supporting documents about the current development status for each IPR&D to assess whether there are any major hurdles faced by the Group;

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of in-process research and development ("IPR&D")	
	• evaluating the competency, capabilities and objectivity of the external independent appraiser engaged by the Group, and obtaining an understanding of their work to perform the valuation of each CGU; • evaluating, with the assistance of our valuation specialist, the appropriateness of the discounted cash flow model used by management to determine the value in use of CGU in the impairment assessment and the reasonableness of key assumptions used, including forecasted revenue growth rate and discount rate by comparing them with the Group's development plan and market data; • performing a retrospective review by evaluating the outcome of prior period forecast to assess the effectiveness of management's estimation process; • assessing sensitivities over the key assumptions including forecasted revenue growth rate and discount rate in the discounted cash flow model to consider the sufficiency of headroom between the recoverable amount and carrying amount of each CGU; and • evaluating the adequacy of disclosure of key assumptions used in the impairment assessment in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lau Kwok Wa Lawrence (practising certificate number: P04882).

Ernst & Young
Certified Public Accountants

Hong Kong
25 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	1,706,678	706,678
Cost of sales		(524,775)	(179,794)
Gross profit		1,181,903	526,884
General and administrative expenses		(276,505)	(250,078)
Research and development expenses		(511,040)	(528,035)
Distribution and selling expenses		(780,550)	(508,070)
Other income — net	6	15,524	15,395
Other losses — net	7	(243,287)	(373,140)
Finance income — net	9	42,014	73,024
Fair value change in financial assets at fair value through profit or loss ("FVTPL")		(13,473)	(7)
Fair value change in financial instruments issued to investors		26,201	2,652
Share of profits and losses of an associate		(39,151)	–
LOSS BEFORE TAX	8	(598,364)	(1,041,375)
Income tax credit/(expense)	12	300,598	–
LOSS FOR THE YEAR		(297,766)	(1,041,375)
Attributable to:			
Owners of the parent		(297,766)	(1,041,375)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Changes in foreign currency translation adjustments of the Company's subsidiaries		85,147	(124,599)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Changes in foreign currency translation adjustments of the Company		(198,980)	168,389
Changes in fair value of equity investments designated at fair value through other comprehensive income ("FVTOCI")		50,916	(19,949)
Share of an associate's other comprehensive income		8,449	–
		(139,615)	148,440

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX		**(54,468)**	23,841
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(352,234)**	(1,017,534)
Attributable to:			
Owners of the parent		**(352,234)**	(1,017,534)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Expressed in RMB per share)			
Basic	14	**(0.89)**	(3.24)
Diluted	14	**(0.89)**	(3.24)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**567,451**	576,100
Right-of-use assets	16	**89,058**	73,944
Intangible assets	17	**2,090,932**	2,254,394
Investment in an associate	18	**302,103**	–
Investments	19	**–**	29,705
Other non-current assets	20	**112,364**	9,071
Deferred tax assets	28	**299,524**	–
Total non-current assets		**3,461,432**	2,943,214
CURRENT ASSETS			
Inventories	21	**32,222**	14,082
Trade receivables	22	**500,017**	363,572
Prepayments and other current assets	23	**109,838**	34,672
Bank deposits	24	**887,086**	718,840
Cash and cash equivalents	24	**1,844,385**	884,468
Total current assets		**3,373,548**	2,015,634
CURRENT LIABILITIES			
Trade and other payables	25	**595,702**	304,550
Borrowings	26	**74,435**	443,842
Lease liabilities	16	**19,476**	18,783
Financial instruments issued to investors	27	**–**	26,364
Total current liabilities		**689,613**	793,539
NET CURRENT ASSETS		**2,683,935**	1,222,095
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,145,367**	4,165,309

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025	2024
		RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Borrowings	26	792,118	55,852
Lease liabilities	16	40,247	30,765
Deferred income	29	5,743	5,898
Provision		3,500	–
Total non-current liabilities		841,608	92,515
Net assets		5,303,759	4,072,794
EQUITY			
Equity attributable to owners of the parent			
Share capital	30	241	221
Reserves	33	15,625,320	14,042,141
Accumulated deficits		(10,554,158)	(10,057,856)
Accumulated other comprehensive income		232,356	88,288
Total equity		5,303,759	4,072,794

Yongqing Luo
Executive Director, Chief Executive Officer

Ian Ying Woo
Executive Director, President & Chief Financial Officer

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Notes	Share capital RMB'000 (note 30)	Capital reserve RMB'000 (note 33)	Treasury shares RMB'000 (note 32)	FVTOCI reserve* RMB'000	Exchange reserve* RMB'000	Accumulated deficits RMB'000	Total equity RMB'000
At 1 January 2024		219	13,920,484	(1)	(229,503)	293,950	(9,016,481)	4,968,668
Loss for the year		–	–	–	–	–	(1,041,375)	(1,041,375)
Changes in fair value of financial assets at FVTOCI, net of tax		–	–	–	(19,949)	–	–	(19,949)
Foreign currency translation		–	–	–	–	43,790	–	43,790
Total comprehensive (loss)/ income for the year		–	–	–	(19,949)	43,790	(1,041,375)	(1,017,534)
Share-based payments	31	–	91,098	–	–	–	–	91,098
Restricted share units vested	32	–	(1)	1	–	–	–	–
Exercise of share options	31	2	30,560	–	–	–	–	30,562
At 31 December 2024		221	14,042,141	–	(249,452)	337,740	(10,057,856)	4,072,794

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Notes	Share capital RMB'000 (note 30)	Capital reserve RMB'000 (note 33)	Treasury shares RMB'000 (note 32)	FVTOCI reserve* RMB'000	Exchange reserve* RMB'000	Accumulated deficits RMB'000	Total equity RMB'000
At 1 January 2025		221	14,042,141	–	(249,452)	337,740	(10,057,856)	4,072,794
Loss for the year		–	–	–	–	–	(297,766)	(297,766)
Changes in fair value of financial assets at FVTOCI, net of tax		–	–	–	50,916	–	–	50,916
Share of other comprehensive income of an associate		–	–	–	8,449	–	–	8,449
Foreign currency translation		–	–	–	–	(113,833)	–	(113,833)
Total comprehensive (loss)/ income for the year		–	–	–	59,365	(113,833)	(297,766)	(352,234)
Exercise of share options	31	2	34,564	–	–	–	–	34,566
Transfer to investments in an associate		–	–	–	198,536	–	(198,536)	–
Issuance of shares to Share Scheme Trusts		2	–	(2)	–	–	–	–
Share-based compensation		–	131,776	–	–	–	–	131,776
Restricted share units vested	32	–	(2)	2	–	–	–	–
Share of other reserve of an associate		–	2,660	–	–	–	–	2,660
Issue of shares	31	16	1,414,181	–	–	–	–	1,414,197
At 31 December 2025		241	15,625,320	–	8,449	223,907	(10,554,158)	5,303,759

* These accounts comprise the consolidated accumulated other comprehensive income of RMB232,356 thousand (2024: RMB88,288 thousand) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax:		(598,364)	(1,041,375)
Adjustments for:			
Depreciation of property, plant and equipment	15	49,347	51,146
Depreciation of right-of-use assets	16	20,854	18,454
Amortisation of intangible assets	17	86,323	64,018
Fair value change in financial instruments issued to investors		(26,201)	(2,652)
Fair value change in financial assets at FVTPL		13,473	7
Share-based payments	31	131,776	91,098
Interest income and interest expenses on borrowings		(44,587)	(75,517)
Unrealised foreign exchange (gains)/losses	7	(9,112)	(19,508)
Interest expenses on lease liabilities	16	2,573	2,493
Impairment loss on intangible assets	17	312,315	356,340
Impairment loss on trade receivables	22	77	219
Impairment loss on inventories	21	48	2,007
Impairment loss on property, plant and equipment		20,913	–
Loss on disposal of property, plant and equipment		33	–
Gain on termination of a lease contract		(3,367)	–
Variable consideration received for disposal of IMMU132		(35,720)	–
Share of profits and losses of an associate		39,151	–
Investment income		(50,719)	–
Other income recognised for asset-related government grant		(155)	(155)
		(91,342)	(553,425)
Increase in trade receivables		(136,522)	(313,933)
Decrease/(increase) in prepayments and other assets		(75,089)	33,888
Decrease/(increase) in inventories		(18,188)	2,855
Increase in trade and other payables		291,092	106,690
Increase in other non-current assets		(89,945)	(573)
Cash used in operations		(119,994)	(724,498)
Interest received		27,434	44,985
Net cash flows used in operating activities		(92,560)	(679,513)

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(64,013)	(65,406)
Purchase of intangible assets		(284,330)	(138,745)
Placement of bank deposits		(1,893,299)	(3,952,740)
Withdrawal of bank deposits		1,744,300	5,131,287
Payments for loans to the directors		(10,336)	–
Variable consideration received for disposal of IMMU132		35,720	–
Investment in an associate		(220,750)	–
Net cash flows (used in)/from investing activities		(692,708)	974,396
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities		(20,341)	(20,782)
Proceeds from bank borrowings		867,306	70,000
Proceeds from issue of shares		1,414,197	–
Repayment of bank borrowings		(500,614)	(22,296)
Payments for rental deposits		(2,091)	–
Interests paid for bank loans		(20,325)	(19,684)
Proceeds from exercise of share options		34,566	30,562
Net cash flows from financing activities		1,772,698	37,800
NET INCREASE IN CASH AND CASH EQUIVALENTS		987,430	332,683
Cash and cash equivalents at beginning of year		884,468	523,063
Effect of foreign exchange rate changes, net		(27,513)	28,722
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	1,844,385	884,468

1. CORPORATE AND GROUP INFORMATION

Everest Medicines Limited (the "Company" or "Everest") was incorporated under the law of the Cayman Islands as an exempted company with limited liability on 14 July 2017. The Company and its subsidiaries (collectively referred to as the "Group") engage primarily in in-licensing, development and commercialisation of ingetive therapies in Greater China and other emerging Asia-Pacific markets.

The registered office of the Company is located at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company listed its shares on the Main Board of The Stock Exchange of Hong Kong Limited on 9 October 2020.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of business and date and place of incorporation/registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Everest Medicines (US) Limited	The United States of America ("USA") 5 September 2017	United States Dollar ("USD") 500	100%	–	Business development and administrative office
Everest Medicines (Singapore) Pte. Ltd.	Singapore 22 November 2018	Singapore Dollar ("SGD") 420,000,000	100%	–	International activities
EverNov Medicines Limited ("EverNov")	Cayman Islands 14 June 2018	USD50,000	92.86%	–	Holding company
Everest Medicines II Limited ("Everest II")	Cayman Islands 25 November 2019	USD50,000	100%	–	Holding company
Everstar Therapeutics Limited	Hong Kong 3 January 2018	Hong Kong Dollar ("HKD") 1	100%	–	Research and development of innovative therapies
EverNov Medicines (HK) Limited	Hong Kong 13 December 2018	USD10,000,000	–	92.86%	Holding company
Everest Medicines II (HK) Limited ("Everest II HK")	Hong Kong 25 November 2019	HKD50,000,000	–	100%	Holding company
Everest Medicines (Suzhou) Inc** 雲頂藥業 (蘇州) 有限公司	People's Republic of China ("PRC")/Chinese Mainland 11 October 2017	Renminbi ("RMB") 33,208,436	–	100%	Research and development of innovative therapies
EverID Medicines (Beijing) Limited** 雲頂新耀 (北京) 醫藥科技有限公司	PRC/Chinese Mainland 30 March 2018	RMB33,498,463	–	100%	Research and development of innovative therapies

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of business and date and place of incorporation/registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Everstar Medicines (Shanghai) Limited** 雲屹藥業 (上海) 有限公司	PRC/Chinese Mainland 16 April 2018	RMB35,679,500	–	100%	Research and development of innovative therapies
EverNov Medicines (Zhuhai Hengqin) Limited* 雲衍醫藥科技 (珠海橫琴) 有限公司	PRC/Chinese Mainland 13 February 2019	USD15,000,000	–	92.86%	Research and development of innovative therapies
Everest Medicines (China) Co., Ltd. ("Everest China")** 雲頂新耀醫藥科技有限公司 ("雲頂新耀中國")	PRC/Chinese Mainland 3 April 2020	USD220,000,000	–	100%	Research and development of innovative therapies,and commercialisation
Everest Medicines Korea, LLC	Korea 7 July 2021	South Korean Won ("KRW") 200,000,000	–	100%	International activities
EverRNA Medicines (Jiashan) Biopharmaceutical Co., Ltd.** 雲頂新耀 (嘉善) 生物醫藥有限公司	PRC/Chinese Mainland 30 May 2022	RMB400,000,000	–	100%	Research and development of innovative therapies
EverRNA Medicines Limited	Cayman Islands 9 March 2022	USD50,000	–	100%	Holding company
EverRNA Medicines (Singapore) Pte. Ltd.	Singapore 24 March 2022	SGD10,000	–	100%	International activities
Everest Medicines (Shanghai) Biopharmaceutical Co., Ltd.* 雲頂新耀 (上海) 生物醫藥有限公司	PRC/Chinese Mainland 3 March 2023	USD66,000,000	–	100%	Research and development of innovative therapies
Everest Medicines (Guangzhou) Medical Devices Co., Ltd.* 雲頂新耀 (廣州) 醫療器械有限公司	PRC/Chinese Mainland 30 January 2024	USD700,000	–	100%	Production and sales of medical devices

* These entities are registered as wholly-foreign-owned enterprises under PRC law. The English names of these companies represent the best effort made by the directors of the Company to directly translate their Chinese names as they did not register any official English names.

** These entities are PRC limited liability companies. The English names of these companies represent the best effort made by the directors of the Company to directly translate their Chinese names as they did not register any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments designated at FVTOCI, financial assets at FVTPL and financial instruments issued to investors which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of Preparation (continued)

Basis of consolidation (continued)

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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

2.3 Issued but not yet Effective IFRS Accounting Standards

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

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027
[3] No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet Effective IFRS Accounting Standards (continued)

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

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet Effective IFRS Accounting Standards (continued)

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at FVTOCI and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet Effective IFRS Accounting Standards (continued)

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures:* The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies

Investment in an associate

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

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

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

Fair value measurement

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Fair value measurement (continued)

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

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Related parties

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

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is controlled or jointly controlled by a person identified in (a);

(vi) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(vii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Property, plant and equipment and depreciation

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

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Furniture and fixtures	2–10 years
Equipments	3–8 years
Machinery	5–10 years
Buildings and building improvements	10–40 years
Leasehold improvements	Over the shorter of the lease term or the estimated useful life

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Intangible assets

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

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Research and development costs

All research costs, except for those acquired in-process research and development ("IPR&D"), are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Intangible assets (continued)

Acquired intangible assets (IPR&D and commercialised drugs)

Intangible assets acquired separately are measured at cost upon initial recognition.

Certain intangible assets are for acquired IPR&D (including rights to develop, manufacture and commercialise drug candidates and rights to use manufacturing know-how and technology), with non-refundable upfront payment, milestone payment and royalty payment. Upfront payment is capitalised when paid. Milestone payment is capitalised as an intangible asset when incurred if the payment is due upon a verifiable outcome, and is expensed if it is due for the execution of activities or is treated as research and development expenditure, following the policy, if the payment is due for outsourced research and development work. Royalty payment is accrued in line with the underlying sales and recognised as a cost of sales. IPR&D acquired is subsequently stated at cost less accumulated amortisation and any impairment losses.

(i) IPR&D

Intangible assets not ready for use are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. The impairment test compares the recoverable amount of the intangible asset to its carrying amount. The estimated life of an intangible asset not ready for use is reviewed annually to determine whether the life assessment continues to be supportable.

(ii) Commercialised drugs

Intangible assets that are commercialised are subsequently amortised when ready for use over the estimated economic life and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The Group amortises intangible assets with a limited useful life, commencing from the date when the product is put into commercial production, using the straight-line method over the following periods:

Commercialised drugs	Over the shorter of estimated economic life and 10 years

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Leased equipment	5 years
Leased properties	3–6 years
Land use rights	50 years

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Leases (continued)

Group as a lessee (continued)

(b) Lease liabilities

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of leased properties (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI, and FVTPL.

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets designated at FVTOCI (equity investments)

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

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

Financial assets at FVTPL

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

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVTOCI. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Investments and other financial assets (continued)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

Derecognition of financial assets

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Impairment of financial assets

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

General approach

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

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Impairment of financial assets (continued)

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

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, borrowings and financial instruments issued to investors.

Subsequent measurement

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL include preferred shares which are designated upon initial recognition as at FVTPL.

Financial liabilities designated upon initial recognition as at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at FVTPL are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Financial liabilities (continued)

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Treasury shares

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification method and, in the case of finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

Provisions

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Income tax

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

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

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and the associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and the associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Income tax (continued)

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

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

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

Government grants

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Revenue recognition

Revenue from contracts with customers

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Revenue recognition (continued)

Sale of pharmaceutical products

Revenue from the sale of pharmaceutical products is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance by the customer.

Some contracts provide customers with a right of profit compensation, giving rise to variable consideration subject to constraint. Profit compensation is offset against amounts payable by the customer arising from the customer's purchases or are provided in the form of products. The most likely amount method is used to estimate the variable consideration. The selected method that best predicts the amount of variable consideration is primarily driven by the thresholds contained in the contract.

Other income

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Share-based payments

The Company operates multiple share incentive plans. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the market approach or by an external valuer using binomial model or Monte Carlo Simulation model, further details of which are given in note 31 to the financial statements.

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

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

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

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Other employee benefits

Pension scheme

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

There is no forfeited contribution for the defined contribution plans as the contributions are fully vested to the employees upon payment.

Housing fund — Chinese Mainland

The Group contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Group are expensed as incurred.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred.

Foreign currencies

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Material Accounting Policies (continued)

Foreign currencies (continued)

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

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

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

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

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries and the Company are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on deferred taxes are disclosed in note 28 to the financial statements.

Estimation uncertainty

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

Impairment of non-financial assets (other than IPR&D)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (continued)

Impairment of IPR&D

Intangible assets not ready for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The impairment assessment requires an estimation of the value in use of the CGU to which the IPR&D is related. Estimating the value in use requires the Group to estimate the expected future cash flows from the CGU with the key assumptions including the expected achievement of development milestones, forecasted revenue growth rate and also the selection of a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 17 to the financial statements.

Fair value of share-based payment transactions

The Group has granted share options and restricted share units to the Group's employees. Share-based payment transactions in relation to the restricted share units (except those with market vesting condition) are measured based on the fair value of the Company's ordinary shares at the grant date of the award. The Company used the binominal model or Monte Carlo Simulation model to determine the fair value of the share options and restricted share units with market vesting condition at the grant date. The determination of the fair value is affected by the fair value of the ordinary shares as well as assumptions regarding a number of complex and subjective variables. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in note 31 to the financial statements.

4. OPERATING SEGMENT INFORMATION

The Company operates in one segment: pharmaceutical products. Its chief operating decision maker is the chief executive officer, who makes operating decisions, assesses performance, and allocates resources on a consolidated basis.

Geographical information

Since over 98% of the Group's revenue and operating profit were generated from the sale of pharmaceutical products in Chinese mainland and most of the Group's identifiable operating assets were located in Chinese Mainland, no geographical segment information in accordance with IFRS 8 *Operating Segments* is presented.

Information about a major customer

Revenue of approximately RMB1,672,139 thousand (2024: RMB696,524 thousand) was derived from the sale of the pharmaceutical products to a single customer.

5. REVENUE

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	**1,706,678**	706,678

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods		
Sale of pharmaceutical products	**1,706,678**	706,678
Timing of revenue recognition		
Goods transferred at a point in time	**1,706,678**	706,678

Over 98% of the Group's revenue were generated from the sale of pharmaceutical products in Chinese Mainland.

(b) Performance obligations

Sale of pharmaceutical products

The performance obligation is satisfied upon delivery of the pharmaceutical products and customer acceptance and payment is generally due within 60 to 90 days upon the issuance of invoice. Some contracts provide customers with a right of profit compensation which give rise to variable consideration subject to constraint.

6. OTHER INCOME — NET

	2025 RMB'000	2024 RMB'000
Government grants	15,524	15,395
Total	15,524	15,395

7. OTHER LOSSES — NET

	Notes	2025 RMB'000	2024 RMB'000
Impairment of intangible assets	17	(312,315)	(356,340)
Impairment of property, plant and equipment		(20,913)	–
Impairment of inventories		(48)	(2,007)
Impairment of trade receivables	21	(77)	(219)
Net foreign exchange gains		9,112	19,508
Donations (a)		(8,893)	(35,024)
Loss on disposal of property, plant and equipment	15	(33)	–
Gain on termination of a lease contract	16	3,367	–
Variable consideration received for disposal of IMMU132 (b)		35,720	–
Investment income (c)		50,719	–
Others		74	942
Total		(243,287)	(373,140)

(a) Donations represented the contributions made by the Group to several charity organizations in relation to the charity's patient assistance program and other public welfare donation programs.

(b) IMMU 132 (Sacituzumab Govitecan) were licensed in April 2019 from Immunomedics, Inc., ("Immunomedics"). On 15 August 2022, pursuant to a separately negotiated termination and transition services agreement (the "Agreement"), the Group and Immunomedics agreed (i) to terminate the above license agreement as well as those ancillary agreements entered in connection therewith; (ii) for the Group to assign to Immunomedics all of its intellectual property, regulatory materials and other assets related to the sacituzumab govitecan; and (iii) for the Group to perform transition services to enable Immunomedics or its affiliates to assume the development and commercialisation of the sacituzumab govitecan in the relevant territories. The consideration for the termination of license agreement and the ancillary agreements was equivalent to the aggregate amount of up to approximately USD455 million, including an upfront payment of USD280 million and milestone payments up to USD175 million, consisting of (i) regulatory milestone payments of up to USD50 million in aggregate, and (ii) commercial milestone payments of up to USD125 million in aggregate. Immunomedics also agreed to waive the Group's obligation to pay the milestone payments of USD25 million and reimburse the Group for all costs and out-of-pocket expenses actually incurred by the Group, in accordance with a mutually agreed transition plan budget, in connection with the Group's performance of the transition services. During the year ended 31 December 2025, the Company received USD5,000,000 for the regulatory milestone achieved by Immunomedics.

(c) The investment income represents the excess of the Company's share of the net fair value of the identifiable assets and liabilities of NovaBridge Biosciences ("NovaBridge") (formerly known as I-Mab) over the cost of the investment on the date that NovaBridge became an associate of the Company. The details of the transaction is set out in note 18.

8. LOSS BEFORE TAX

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

	2025 RMB'000	2024 RMB'000
Cost of inventories sold (a)	524,775	179,794
Depreciation of property, plant and equipment	49,347	51,146
Depreciation of right-of-use assets	20,854	18,454
Amortisation of intangible assets	86,323	64,018
Impairment of trade receivables	77	219
Impairment of inventories	48	2,007
Impairment of intangible assets	312,315	356,340
Impairment of plant, property and equipment	20,913	–
Fair value change in financial assets at FVTPL	13,473	7
Fair value change in financial instruments issued to investors	(26,201)	(2,652)
Auditor's remuneration:		
Annual audit/Interim review	3,200	3,080
Other statutory audit for subsidiaries	686	427
Employee benefit expenses (including directors' remuneration as set out in note 10):		
Salaries and other benefits	563,539	439,909
Pension scheme contributions, social welfare and other welfare	76,138	55,636
Share-based compensation	131,776	91,098
Lease payments not included in the measurement of lease liabilities	1,472	1,212
Bank interest income	(65,231)	(95,184)
Net foreign exchange gains	(9,112)	(19,508)
Loss on disposal of property, plant and equipment	33	–
Gain on termination of a lease contract	(3,367)	–

(a) The amounts include all cost related to licensed-in royalty charges, amortisation of intangible assets and material costs.

9. FINANCE INCOME — NET

	2025 RMB'000	2024 RMB'000
Bank interest income	65,231	95,184
Interest income from loan to a director (note 36(a))	56	29
Interest expenses on lease liabilities	(2,573)	(2,493)
Interest expenses on bank borrowings	(20,700)	(19,696)
Total	42,014	73,024

10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the reporting period, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	1,071	1,077
Other emoluments:		
Salaries, allowances and benefits in kind	14,708	12,631
Performance related bonuses	23,539	32,274
Share-based payment expenses	41,146	26,332
Pension scheme contributions	300	220
Subtotal	79,693	71,457
Total	80,764	72,534

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

During the year and in prior years, certain directors were granted share options and restricted share units, in respect of his services to the Group, under the share incentive plans of the Company, further details of which are set out in note 31 to the financial statements. The fair values of such share options and restricted share units, which have been recognised in profit or loss over the vesting period, were determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

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

	2025 RMB'000	2024 RMB'000
Mr. Shidong Jiang	357	359
Mr. Yifan Li	357	359
Ms. Hoi Yam Chui	357	359
	1,071	1,077

There were no other emoluments payable to the independent non-executive directors during the year.

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

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

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
2025						
Executive directors and chief executive:						
Mr. Yifang Wu (i)	–	1,490	7,585	5,824	8	14,907
Mr. Ian Ying Woo	–	5,947	8,721	12,371	221	27,260
Mr. Yongqing Luo (ii)	–	7,271	7,233	22,951	71	37,526
Subtotal	–	14,708	23,539	41,146	300	79,693
Non-executive directors:						
Mr. Wei Fu (iii)	–	–	–	–	–	–
Mr. William Ki Chul Cho (vi)	–	–	–	–	–	–
Mr. Honggang Feng (vii)	–	–	–	–	–	–
Mr. Xin Sun (viii)	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	–	14,708	23,539	41,146	300	79,693

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

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

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total RMB'000
2024						
Executive directors and chief executive:						
Mr. Ian Ying Woo	–	5,431	9,466	10,023	149	25,069
Mr. Yongqing Luo (ii)	–	7,200	22,808	16,309	71	46,388
Mr. Wei Fu (iii)	–	–	–	–	–	–
Subtotal	–	12,631	32,274	26,332	220	71,457
Non-executive directors:						
Mr. Yubo Gong (iv)	–	–	–	–	–	–
Ms. Lan Kang (v)	–	–	–	–	–	–
Mr. William Ki Chul Cho (vi)	–	–	–	–	–	–
Mr. Honggang Feng (vii)	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	–	12,631	32,274	26,332	220	71,457

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

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

Notes:

(i) Mr. Yifang Wu was appointed as an executive director and the chairman of the board with effect from 10 October 2025.

(ii) Mr. Yongqing Luo was appointed as an executive director and the chief executive officer of the Group on 19 September 2022 and his remuneration disclosed above included the remuneration for the services rendered by him as the chief executive.

(iii) Mr. Wei Fu was re-designated as a non-executive director and appointed as the honorary chairman of the board with effect from 10 October 2025.

(iv) Mr. Yubo Gong resigned as a non-executive director with effect from 9 February 2024.

(v) Ms. Lan Kang resigned as a non-executive director with effect from 12 January 2024.

(vi) Mr. William Ki Chul Cho was appointed as a non-executive director with effect from 12 January 2024.

(vii) Mr. Honggang Feng was appointed as a non-executive director with effect from 9 February 2024 and resigned as a non-executive director with effect from 10 October 2025.

(viii) Mr. Xin Sun was appointed as a non-executive director with effect from 11 December 2025.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors, one of which is also the chief executive (2024: two directors including the chief executive), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining two (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	8,629	14,817
Performance related bonuses	4,362	8,280
Share-based payment expenses	14,716	12,951
Pension scheme contributions	440	307
	28,147	36,355

11. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

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

	2025	2024
HKD10,500,001 to HKD11,000,000	–	1
HKD12,000,001 to HKD12,500,000	–	–
HKD13,500,001 to HKD14,000,000	–	1
HKD14,500,001 to HKD15,000,000	1	–
HKD15,000,001 to HKD15,500,000	–	1
HKD15,500,001 to HKD16,000,000	1	–
	2	3

During the year and in prior years, share options and restricted share units were granted to these non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in note 31 to the financial statements. The fair values of such share options and restricted share units, which have been recognised in the profit or loss over the vesting period, were determined as at the date of grant and the amounts included in the financial statements for the current year are included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

12. INCOME TAX

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

Cayman Islands

Under the current laws of the Cayman Islands, the Company and the subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gains.

Hong Kong

The Group's subsidiaries in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5%. No Hong Kong profits tax was provided for as the Group did not generate any assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

12. INCOME TAX (CONTINUED)

United States of America

Entities in the State of New York are subject to Federal Tax at a rate of 21% and State of New York Profits Tax at a rate of 6.5%. Operations in the United States of America have incurred net accumulated operating losses for income tax purposes and no income tax provisions were recorded during the years ended 31 December 2025 and 2024.

Singapore

The Group's subsidiary in Singapore is subject to Singapore profits tax at the rate of 17%.

Korea

The Group's subsidiary in Korea is subject to Korea profits tax at a rate of 10%. No Korea profits tax was provided for as the Group did not generate any assessable profits arising in Korea during the years ended 31 December 2025 and 2024.

Chinese Mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations (the "CIT Law"), the subsidiaries which operate in Chinese Mainland are subject to CIT at a rate of 25% on the taxable income.

Pillar Two income taxes

The Group is out of the scope of the Pillar Two model rules because the revenue for the year ended 31 December 2025 and 2024 didn't exceed EUR750 million. The Group continues to closely monitor Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

12. INCOME TAX (CONTINUED)

Pillar Two income taxes (continued)

The income tax expense of the Group for the reporting period is analysed as follows:

	2025 RMB'000	2024 RMB'000
Current	–	–
Deferred (note 28)	(300,598)	–
Total	(300,598)	–

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates are as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	(598,364)	(1,041,375)
Tax at the statutory tax rate (25%)	(149,591)	(260,344)
Difference in overseas tax rates	55,794	142,573
Tax losses and deductible temporary differences not recognised as deferred tax assets	99,954	101,422
Super deduction in respect of research and development expenditures	(24,419)	(12,541)
Expenses not deductible for income tax purposes	46,426	42,967
Previously unrecognised tax losses now recouped to reduce current tax expense	(28,164)	(14,077)
Recognition of tax losses previously not recognised	(300,598)	–
Tax charge at the Group's effective rate	(300,598)	–

13. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 December 2025 (2024: Nil).

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share options and restricted share units had an anti-dilutive effect on the basic loss per share amounts presented.

The calculations of basic and diluted loss per share are based on:

	2025	2024
Loss		
Loss attributable to ordinary equity holders of the parent for the purpose of calculating basic and diluted loss per share (RMB'000)	**(297,766)**	(1,041,375)
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation	**336,458,260**	320,917,606
Loss per share (basic and diluted) (RMB per share)	**(0.89)**	(3.24)

15. PROPERTY, PLANT AND EQUIPMENT

	Equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Buildings and building improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025							
Cost	81,063	10,031	48,170	88,069	461,015	–	688,348
Accumulated depreciation and impairment	(27,796)	(6,710)	(25,740)	(19,285)	(32,717)	–	(112,248)
Net carrying amount	53,267	3,321	22,430	68,784	428,298	–	576,100
At 1 January 2025, net of accumulated depreciation	53,267	3,321	22,430	68,784	428,298	–	576,100
Additions	7,567	854	4,487	4,649	236	45,377	63,170
Disposal	(33)	–	–	–	–	–	(33)
Transfer	–	–	5,447	(2,555)	657	(3,549)	–
Depreciation provided during the year	(10,835)	(3,473)	(7,646)	(10,802)	(16,591)	–	(49,347)
Exchange realignment	–	–	–	–	–	–	–
Subsequent adjustment of cost	–	–	–	–	(1,526)	–	(1,526)
Impairment	–	–	–	(20,913)	–	–	(20,913)
At 31 December 2025, net of accumulated depreciation	49,966	702	24,718	39,163	411,074	41,828	567,451
At 31 December 2025							
Cost	88,559	10,885	58,104	88,886	460,382	41,828	748,644
Accumulated depreciation and impairment	(38,593)	(10,183)	(33,386)	(49,723)	(49,308)	–	(181,193)
Net carrying amount	49,966	702	24,718	39,163	411,074	41,828	567,451

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Equipment RMB'000	Furniture and fixtures RMB'000	Leasehold improvements RMB'000	Machinery RMB'000	Buildings and building improvements RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024							
Cost	77,153	9,704	46,903	80,458	437,869	9,790	661,877
Accumulated depreciation and impairment	(15,198)	(4,527)	(15,914)	(8,812)	(16,651)	–	(61,102)
Net carrying amount	61,955	5,177	30,989	71,646	421,218	9,790	600,775
At 1 January 2024, net of accumulated depreciation	61,955	5,177	30,989	71,646	421,218	9,790	600,775
Additions	3,910	327	1,264	7,611	1,824	11,532	26,468
Transfer	–	–	–	–	21,322	(21,322)	–
Depreciation provided during the year	(12,598)	(2,183)	(9,826)	(10,473)	(16,066)	–	(51,146)
Exchange realignment	–	–	3	–	–	–	3
At 31 December 2024, net of accumulated depreciation	53,267	3,321	22,430	68,784	428,298	–	576,100
At 31 December 2024							
Cost	81,063	10,031	48,170	88,069	461,015	–	688,348
Accumulated depreciation and impairment	(27,796)	(6,710)	(25,740)	(19,285)	(32,717)	–	(112,248)
Net carrying amount	53,267	3,321	22,430	68,784	428,298	–	576,100

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of properties and equipment used in its operations. Lump sum payments were made upfront to acquire the land use right with lease periods of 50 years, and no ongoing payments will be made under the terms of such land use right. Leases of properties generally have lease terms between 3 and 6 years, while equipment generally have lease terms of 5 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leased equipment RMB'000	Leased properties RMB'000	Land use right RMB'000	Total RMB'000
As at 1 January 2025	236	41,261	32,447	73,944
Additions	198	49,302	–	49,500
Lease modification	–	(14)	–	(14)
Disposal	–	(13,526)	–	(13,526)
Depreciation charge	(153)	(19,993)	(708)	(20,854)
Exchange realignment	–	8	–	8
As at 31 December 2025	281	57,038	31,739	89,058

	Leased equipment RMB'000	Leased properties RMB'000	Land use right RMB'000	Total RMB'000
As at 1 January 2024	369	49,688	33,155	83,212
Additions	–	3,073	–	3,073
Lease modification	–	6,105	–	6,105
Depreciation charge	(133)	(17,613)	(708)	(18,454)
Exchange realignment	–	8	–	8
As at 31 December 2024	236	41,261	32,447	73,944

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**49,548**	58,648
New leases	**44,840**	3,073
Accretion of interest recognised during the year	**2,573**	2,493
Payments	**(20,341)**	(20,782)
Lease modification	**(14)**	6,105
Disposal	**(16,893)**	–
Exchange realignment	**10**	11
Carrying amount at 31 December	**59,723**	49,548
Analysed into:		
Current portion	**19,476**	18,783
Non-current portion	**40,247**	30,765
Repayable:		
Within 1 year	**19,476**	18,783
Between 1 and 2 years	**15,312**	17,283
Between 2 and 5 years	**24,888**	13,482
Over 5 years	**47**	–
Total	**59,723**	49,548

The maturity analysis of lease liabilities is disclosed in note 39 to the financial statements.

16. LEASES (CONTINUED)

The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	2,573	2,493
Depreciation charge of right-of-use assets	20,854	18,454
Expense relating to leases of short-term and low-value assets	1,472	1,212
Total amount recognised in profit or loss	24,899	22,159

17. INTANGIBLE ASSETS

	IPR&D RMB'000	Commercialised drugs RMB'000	Software RMB'000	Total RMB'000
31 December 2025				
At 1 January 2025:				
Cost	1,862,023	810,929	17,867	2,690,819
Accumulated amortisation and impairment	(356,340)	(68,150)	(11,935)	(436,425)
Net carrying amount	1,505,683	742,779	5,932	2,254,394
Cost at 1 January 2025, net of accumulated amortisation	1,505,683	742,779	5,932	2,254,394
Additions	240,553	35,720	8,057	284,330
Amortisation provided during the year	–	(83,364)	(2,959)	(86,323)
Impairment during the year	(312,315)	–	–	(312,315)
Exchange realignment	(33,430)	(15,724)	–	(49,154)
At 31 December 2025	1,400,491	679,411	11,030	2,090,932
At 31 December 2025				
Cost	2,116,962	828,441	24,884	2,970,287
Accumulated amortisation and impairment	(716,471)	(149,030)	(13,854)	(879,355)
Net carrying amount	1,400,491	679,411	11,030	2,090,932

17. INTANGIBLE ASSETS (CONTINUED)

	IPR&D RMB'000	Commercialised drugs RMB'000	Software RMB'000	Total RMB'000
31 December 2024				
At 1 January 2024:				
Cost	2,342,983	180,707	16,093	2,539,783
Accumulated amortisation and impairment	–	(9,128)	(6,939)	(16,067)
Net carrying amount	2,342,983	171,579	9,154	2,523,716
Cost at 1 January 2024, net of accumulated amortisation	2,342,983	171,579	9,154	2,523,716
Additions	100,638	14,377	1,774	116,789
Commercialisation	(606,519)	606,519	–	–
Amortisation provided during the year	–	(59,022)	(4,996)	(64,018)
Impairment during the year	(356,340)	–	–	(356,340)
Exchange realignment	24,921	9,326	–	34,247
At 31 December 2024	1,505,683	742,779	5,932	2,254,394
At 31 December 2024				
Cost	1,862,023	810,929	17,867	2,690,819
Accumulated amortisation and impairment	(356,340)	(68,150)	(11,935)	(436,425)
Net carrying amount	1,505,683	742,779	5,932	2,254,394

17. INTANGIBLE ASSETS (CONTINUED)

(a) Collaboration and license agreement with Arena Pharmaceuticals, Inc. ("Arena") and United Therapeutics

In December 2017, the Group entered into a collaboration and license agreement with Arena (subsequently acquired by Pfizer Inc. in 2022) regarding the development and commercialisation of its proprietary products Ralinepag and Etrasimod, in the territories of Chinese Mainland, Taiwan, Hong Kong, Macau and South Korea. In January 2019, the Group and Arena entered into two separate agreements which superseded the previous agreement, one relating to Ralinepag and the other to Etrasimod. In 2023, the agreement related to Ralinepag was terminated.

Etrasimod

From 2017 to 2024, the Group made an upfront payment and multiple milestone payments to Arena of USD24.0 million (equivalent to RMB168.7 million) in aggregate and these payments were capitalised.

The Group did not make any milestone payment to Arena during the year ended 31 December 2025.

(b) License agreement with Tetraphase Pharmaceuticals, Inc. ("Tetraphase")

Eravacycline

In February 2018, the Group entered into a license agreement with Tetraphase, pursuant to which Tetraphase granted the Group an exclusive license to develop and commercialise Eravacycline in Chinese Mainland, Taiwan, Hong Kong, Macau, South Korea and Singapore. In July 2019, the Group and Tetraphase entered into an amendment to the license agreement to expand the geographic coverage of the license to Malaysia, Thailand, Indonesia, Vietnam and the Philippines.

From 2018 to 2023, the Group made an upfront payment and multiple milestone payments to Tetraphase of USD25.5 million (equivalent to RMB179.2 million) in aggregate and these payments were capitalised.

The Group did not make any milestone payment to Tetraphase during the years ended 31 December 2025 and 2024.

17. INTANGIBLE ASSETS (CONTINUED)

(c) Commercial supply agreement with Tetraphase Pharmaceuticals, Inc.

Eravacycline manufacturing know-how

From 2021 to 2023, the Group made multiple milestone payments to Tetraphase of USD5.0 million (equivalent to RMB35.1 million) in aggregate and these payments were capitalised.

The Group did not make any milestone payment related to Eravacycline manufacturing know-how to Tetraphase during the years ended 31 December 2025 and 2024.

(d) License agreement with Novartis International Pharmaceutical Ltd. ("Novartis")

FGF401

In June 2018, the Group entered into an exclusive global license agreement with Novartis to develop and commercialise FGF401. Under this agreement, Novartis granted EverNov an exclusive license to develop, manufacture and commercialise Novartis' FGF4 inhibitor FGF401 and products containing FGF401 for all purposes worldwide.

From 2018 to 2023, the Group made an upfront payment to Novartis of USD22.4 million (equivalent to RMB157.2 million) in aggregate and the payment was capitalised.

The Group did not make any milestone payment to Novartis during the years ended 31 December 2025 and 2024.

Based on the communication with the U.S. Food and Drug administration during the year, the management of the Company decided to suspend the development of FGF401, resulting in that a full impairment loss related to FGF401 of USD22.4 million (equivalent to RMB157.2 million) was recognised during the year ended 31 December 2025 by the Group given no economic benefit can be recovered.

17. INTANGIBLE ASSETS (CONTINUED)

(e) Licenses acquired from Everest II

Upon the consummation of the Group's acquisition of Everest II in 2019, the Group acquired four licenses held by Everest II. The amounts in relation to the acquisition of those licenses were recognised as intangible assets based on their fair value upon consummation of the acquisition.

Taniborbactam

In September 2018, Everest II entered into an agreement with Venatorx Pharmaceuticals, Inc. ("Venatorx"), pursuant to which Venatorx granted Everest II an exclusive license to exploit, for all uses in humans, Venatorx's proprietary BLI, taniborbactam (formerly VNRX-5133), in combination with a ß-lactam, initially cefepime, in Chinese Mainland, Macau, Hong Kong, Taiwan, South Korea, Singapore, Malaysia, Thailand, Indonesia, Vietnam and the Philippines.

From 2018 to 2023, the Group made an upfront payment and multiple milestone payments to Venatorx of USD19 million (equivalent to RMB133.5 million) in aggregate and these payments were capitalised.

The Group did not make any milestone payment to Venatorx during the years ended 31 December 2025 and 2024.

SPR206

In January 2019, Everest II entered into a license agreement with Spero Therapeutics, Inc. ("Spero") through its wholly owned subsidiaries, New Pharma License Holdings Limited ("NPLH") and Spero Potentiator, Inc. ("Potentiator"), and NPLH has since assigned its assets to Spero. Pursuant to this agreement, NPLH granted Everest II an exclusive license to develop, manufacture and commercialise SPR206 in Chinese Mainland, Hong Kong, Macau, Taiwan, South Korea, Singapore, Malaysia, Thailand, Indonesia, Vietnam and the Philippines.

From 2019 to 2023, the Group made an upfront payment and multiple milestone payments to Spero of USD7 million (equivalent to RMB49.2 million) in aggregate and these payments were capitalised.

The Group did not make any milestone payment to Spero during the years ended 31 December 2025 and 2024.

Based on the facts that the licensor, Spero, has ceased all development of SPR206 in its territory and the Group decided to suspend development of SPR 206 in the second half of 2025, a full impairment loss related to SPR206 of USD15.1 million (equivalent to RMB105.9 million) was recognised during the year ended 31 December 2025 by the Group given no economic benefit can be recovered.

17. INTANGIBLE ASSETS (CONTINUED)

(e) Licenses acquired from Everest II (continued)

Nefecon

In June 2019, Everest II entered into a license agreement with Calliditas who granted Everest II exclusive rights to develop and commercialise Nefecon in Chinese Mainland, Hong Kong, Macau, Taiwan and Singapore. In March 2022, the Group and Calliditas entered into an amendment to the license agreement to expand the geographic coverage of the license to South Korea.

From 2019 to 2023, the Group made an upfront payment and multiple milestone payments to Calliditas of USD39.0 million (equivalent to RMB274.1 million) in aggregate and these payments were capitalised.

In November 2024, New Drug Application ("NDA") in Korea was approved and the Group made a milestone payment of USD2.0 million (equivalent to RMB14.1 million) and the payment was capitalised.

In May 2025, New Drug Application ("NDA") was approved in China and the Group made a milestone payment of USD5.0 million (equivalent to RMB35.7 million) and the payment was capitalised.

(f) Collaboration and license agreement with Providence Therapeutics Holdings Inc. ("Providence")

In September 2021, the Group entered into a license agreement with Providence, pursuant to which Providence granted the Group exclusive rights to develop, manufacture and commercialise mRNA COVID-19 vaccines in Chinese Mainland, Hong Kong, Macau, and certain Asian countries.

From 2021 to 2023, the Group made an upfront payment to Providence of USD50.0 million (equivalent to RMB356.3 million) in aggregate and such payment was capitalised. During the year ended 31 December 2024, a full impairment loss related to mRNA COVID-19 vaccines of USD50.0 million (equivalent to RMB356.3 million) was recognised by the Group given no economic benefit can be recovered.

In addition, the Group and Providence agreed to conduct collaborative research and develop two prophylactic or therapeutic products (the "Collaboration Products"), pursuant to which Providence has granted the Group a royalty-free, non-exclusive license in the Collaboration Products and each of the Group and Providence is entitled to 50% of the worldwide rights to the Collaboration Products. Providence also agreed to transfer the platform technology mainly related to the developing and manufacturing of mRNA vaccine products under the agreement.

17. INTANGIBLE ASSETS (CONTINUED)

(f) Collaboration and license agreement with Providence Therapeutics Holdings Inc. ("Providence") (continued)

From 2021 to 2023, with regard to Collaboration Products and technology platform, the Group made an upfront payment to Providence of USD50 million (equivalent to RMB351.4 million) and made a milestone payment by issuing 3,492,365 ordinary shares to Providence with issue price of HKD13.12 with aggregate value USD5.9 million (equivalent to RMB41.4 million) and these payments were capitalised.

Termination of collaboration and license agreement

In February 2024, the Group and Providence entered into a termination agreement (the "Termination Agreement") whereby the parties agreed to terminate the above collaboration and license agreement in entirety. Pursuant to the Termination Agreement, Providence granted the Group a worldwide, royalty-free (except as set forth below), and non-exclusive license to develop, manufacture and commercialize its own products utilizing the mRNA platform.

Under the terms of the Termination Agreement, the Group made a one-time, upfront payment of USD4.0 million (equivalent to RMB28.1 million) in February 2024 and the payment was capitalised. The Group also agreed to make regulatory milestone payment to Providence, should the Group decide to develop the Collaboration Products. In addition, the Group shall pay Providence royalties from the sale of Collaboration Products in the Providence territory, and Providence shall pay the Group royalties from the sale of Collaboration Products in the Everest territory.

The Group did not make any milestone payment to Providence during the year ended 31 December 2025.

(g) License agreement with Sinovent Pharmaceuticals, Co., Ltd. ("Sinovent") and SinoMab BioScience Limited ("SinoMab")

XNW-1011

In September 2021, the Group entered into a license agreement with Sinovent and SinoMab. Pursuant to which, Sinovent and SinoMab granted the Group an exclusive worldwide right to develop, manufacture and commercialise XNW1011.

From 2021 to 2023, the Group made an upfront payment to Sinovent and SinoMab of USD12.0 million (equivalent to RMB84.3 million) in aggregate and the payment was capitalised.

The Group did not make any milestone payment to Sinovent and SinoMab during the years ended 31 December 2025 and 2024.

17. INTANGIBLE ASSETS (CONTINUED)

(h) Collaboration and license agreement with Kezar Life Sciences, Inc. ("Kezar")

Zetomipzomib

In September 2023, the Group entered into a license agreement with Kezar, pursuant to which Kezar granted the Group an exclusive right to develop, manufacture and commercialise Zetomipzomib in Chinese Mainland, Taiwan, Hong Kong, Macau, South Korea, Singapore, Malaysia, Thailand, Indonesia, Vietnam and the Philippines.

In 2023, the Group made an upfront payment to Kezar of USD7.0 million (equivalent to RMB49.2 million) in aggregate and the payment was capitalised.

The Group did not make any milestone payment to Kezar during the years ended 31 December 2025 and 2024.

In the second half of 2025, Kezar disclosed that it had failed to reach agreement with the U.S. Food and Drug Administration on the protocol for the registration clinical trial. Based on the update information from Kezar, a full impairment loss related to Zetomipzomib of USD7.0 million (equivalent to RMB49.2 million) was recognised by the Group given no economic benefit can be recovered during the year ended 31 December 2025.

(i) License agreement with Hasten

PCSK9

In December 2025, the Group entered into a license agreement with Hasten who granted exclusive rights to develop and commercialise PCSK9 in Chinese Mainland, Taiwan, Hong Kong, Macau. In 2025, the Group made an upfront payment to Hasten of RMB240.6 million in aggregate and the payment was capitalised.

17. INTANGIBLE ASSETS (CONTINUED)

(j) Impairment test

The Group's IPR&D are intangible assets not yet ready for use which are tested annually based on the recoverable amount of the cash-generating unit ("CGU") to which the intangible assets are related (except for PCSK9 acquired in December 2025). The appropriate CGU of each IPR&D is determined at the pharmaceutical product level or technology platform. The annual impairment test was performed for each CGU by engaging an independent appraiser to determine recoverable amount based on the value in use calculation using the discounted cash flow model. The Group estimated the forecast period for each pharmaceutical products until estimated useful life. The estimated revenue of each drug is based on management's estimate of timing of commercialisation. The costs and operating expenses are estimated as a percentage over the revenue forecast period based on the current margin levels of comparable companies with adjustments made to reflect the expected future price changes. The discount rates used are post tax and reflect specific risks relating to the relevant products that would be considered by market participants.

The key assumptions used for recoverable amount calculations as at 31 December 2025 and 2024 are as follows:

	2025	2024
Post-tax discount rate	12.50% to 14.50%	13.00% to 15.00%
Revenue growth rate	Up to 451%	Up to 591%
Recoverable amount of CGUs (in RMB million)	9,574	10,282

The management of the Company has also performed sensitivity test on key assumptions by decreasing 1% of revenue growth rate or increasing 1% of discount rate, with all other assumptions held constant The impacts on the amount by which recoverable amount above its carrying amount (headroom) are as below:

	Headroom RMB'000	Impact by decreasing growth rate RMB'000	Impact by increasing discount rate RMB'000
Total	8,278,647	(539,670)	(1,027,118)

18. INVESTMENT IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
Share of net assets	302,103	–

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
NovaBridge	Ordinary shares	USA	16.08%	Development of precision immuno-oncology agents for the treatment of cancer

The Group determined that it has significant influence in NovaBridge due to the fact that the Group has a representation on the board of the directors and is a single largest shareholder of NovaBridge.

The following table illustrates the difference between the consideration paid and share of net assets on acquisition date:

	RMB'000
The consideration paid on acquisition date	284,083
Share of net assets on acquisition date	334,749
Investment income (note 7 (c))	50,719

The following table illustrates the aggregate financial information of the Group's associate that is not material:

	2025 RMB'000
Share of the associate's loss for the year	(39,151)
Share of the associate's other comprehensive income	8,449
Share of the associate's other reserve	2,660
Aggregate carrying amount of the Group's investment in an associate	302,103

19. INVESTMENTS

	2025 RMB'000	2024 RMB'000
Investments in NovaBridge — at FVTOCI (a)	–	16,148
Investments in Venatorx — at FVTPL (b)	–	13,557
Total	–	29,705

(a) Upon initial recognition, the Group had elected to classify irrevocably its equity investments in NovaBridge (NASDAQ: NBP) (formerly known as I-MAB, (NASDAQ: IMAB)) as equity investments designated at fair value through other comprehensive income and fair value changes are recognised with reference to the quoted market share price of NovaBridge in other comprehensive income. In August 2025, the Company subscribed 15,846,154 American depositary shares of NovaBridge at cash consideration of USD30,900,000 (equivalent to RMB220.8 million) and appointed a representation on the board of the directors of NovaBridge. As such, the Company has significant influence in NovaBridge since August 2025 and therefore the equity investments measured at fair value through other comprehensive income has been reclassified to investment in an associate since then.

(b) The Group acquired 141,533 Series B convertible preferred shares of Venatorx through the acquisition of Everest II. The equity investment in Venatorx is classified as financial assets at fair value through profit or loss. As of 31 December 2025, the fair value of the convertible preferred shares was nil as Venatorx was in financial difficulties and ceased the operation in the second half of 2025.

20. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Rental deposits	8,132	6,041
Deposit paid to a supplier (a)	90,000	–
Loan to directors (b)	12,767	2,468
Prepayment for equipment	1,465	562
Total	112,364	9,071

(a) In December 2025, the subsidiary of the Group entered into the commercialisation service agreement with Hasten which is controlled by CBC Group, pursuant to which the subsidiary of the Group shall pay a refundable deposit of RMB100,000 thousand to Hasten which is paid in December 2025 and the deposit will be refunded to the Group in equal installments over a period of 10 years on average, provided that the Group achieves the sales target for the products for the applicable year commencing from the year of 2026. Therefore, the deposit refundable within one year of RMB10,000 thousand is measured as current assets, while the rest deposit refundable within two to ten years of RMB90,000 thousand is measured as non-current assets. Further details please refer to the announcement announced by the Company on 11 December 2025.

(b) On 2 July 2020, the Company provided a loan to Mr. Ian Ying Woo, in the total amount of USD325 thousand. The loan has a term of three years and a simple interest rate of 5.0% per annum. The principal and accrued interest will be paid on the maturity date. In 2021, pursuant to an amendment agreement with this director, the interest rate decreased from 5.0% per annum to 1.25% per annum. According to the contract, such loan shall be automatically renewed for another three years at the same interest rate of 1.25% per annum, and the principal and interest will be repaid on the maturity date.

In 2025, the Company provided loans of RMB4,903 thousand to Mr. Yifang Wu, RMB3,069 thousand to Mr. Yongqing Luo and USD334 thousand to Mr. Ian Ying Woo. The loans have a term of three years and bear simple interest at an annual rate of 1.25%. The principal and accrued interest will be paid on the maturity date.

Maximum amounts outstanding during the year for Mr. Ian Ying Woo, Mr. Yifang Wu and Mr. Yongqing Luo are RMB4,794 thousand, RMB4,903 thousand and RMB4,794 thousand, respectively.

The financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts. In addition, there is no significant change in the economic factors based on the assessment of the forward-looking information, so the loss allowance was assessed to be minimal as at 31 December 2025 and 2024.

21. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	15,787	–
Pharmaceutical products	16,435	14,082
Total	32,222	14,082

22. TRADE RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	500,317	363,791
Impairment	(300)	(219)
Net carrying amount	500,017	363,572

The Group's trading terms with its customers are mainly on credit. The credit period is generally from 60 to 90 days from the date of billing. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 3 months	500,017	363,572

22. TRADE RECEIVABLES (CONTINUED)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	219	–
Impairment losses, net	77	219
Exchange realignment	4	–
At end of year	300	219

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 31 December 2025		
	Gross carrying amount RMB'000	Expected credit loss rate %	Expected credit losses RMB'000
Within 3 months	500,317	0.06	300

	As at 31 December 2024		
	Gross carrying amount RMB'000	Expected credit loss rate %	Expected credit losses RMB'000
Within 3 months	363,791	0.06	219

23. PREPAYMENTS AND OTHER CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Value-added tax recoverable	48,546	23,554
Interest receivables	–	1,136
Deposit paid to a supplier (note 20 (a))	10,000	–
Prepayments to suppliers	51,273	9,697
Deposits	–	268
Others	19	17
Total	109,838	34,672

The financial assets included in the above balances relate to receivables for which there were no recent history of default and past due amounts. As at 31 December 2025 and 2024, the loss allowance was assessed to be minimal.

24. CASH AND CASH EQUIVALENTS AND BANK DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash at bank	1,116,904	740,700
Time deposits with original maturity within three months	727,481	143,768
Cash and cash equivalents	1,844,385	884,468
Time deposits with original maturity of more than three months	887,086	718,840
Total	2,731,471	1,603,308
Denominated in:		
— USD	2,187,559	1,345,917
— RMB	537,379	243,618
— HKD	3,414	9,199
— SGD	1,680	4,135
— KRW	1,439	439
Total	2,731,471	1,603,308

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at fixed rates and floating rates based on daily bank deposit rates. Bank deposits earn interest at the respective bank deposit rates. The cash and cash equivalents and bank deposits are deposited with creditworthy banks with no recent history of default.

25. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	203,825	46,114
Salary and staff welfare payables	95,793	94,984
Payables for property, plant and equipment	17,881	17,941
Payables for service suppliers	252,156	128,952
Tax payables	13,191	2,821
Others	12,856	13,738
Total	595,702	304,550

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	203,825	46,114

Trade and other payables are unsecured, non-interest-bearing and repayable on demand. The carrying amounts of financial liabilities included in trade and other payables as at 31 December 2025 and 2024 approximated to their fair values due to their short-term maturities.

26. BORROWINGS

	2025			2024		
	Interest rate (%)	Maturity	RMB'000	Interest rate (%)	Maturity	RMB'000
Current						
Unsecured bank loans	3.10	2026	10,387	4.00	2025	230,000
Secured bank loans (b)	2.35–2.80	2026	63,353	3.25–3.55	2025	213,314
Bank loans — interest payables			695			528
			74,435			443,842
Non-current						
Unsecured bank loans	3.10	2027	162,712			–
Secured bank loans (b)	2.35–3.20	2027–2035	629,406	3.25	2026	55,852
			792,118			55,852
Total			866,553			499,694

Analysed into:

	2025 RMB'000	2024 RMB'000
Repayable:		
Within 1 year	74,435	443,842
Between 1 and 2 years	343,428	55,852
Between 2 and 5 years	131,555	–
Over 5 years	317,135	–
Total	866,553	499,694

26. BORROWINGS (CONTINUED)

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

	2025 RMB'000	2024 RMB'000
Fixed interest rate	85,703	69,852
Variable interest rate	780,155	429,314
Interest payables	695	528
Total	866,553	499,694

(a) All borrowings are denominated in RMB.

(b) Certain of the Group's bank loans are pledged by a building of the Group with net book value of RMB443,608 thousand (unaudited) or guaranteed by the Company.

27. FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

	2025 RMB'000	2024 RMB'000
Current:		
Preferred shares issued by EverNov	–	26,364

In June 2018, EverNov, a subsidiary of the Group, entered into an exclusive global license agreement with Novartis to develop and commercialise FGF401. Under this agreement, Novartis granted EverNov an exclusive license to develop, manufacture and commercialise Novartis's FGF4 inhibitor FGF401 and products containing FGF401 for all purposes worldwide. The total consideration for the license included upfront and milestone cash payments and 4,000,000 series A-2 preferred shares issued by EverNov. The series A-2 preferred shares had been designated as financial liabilities at FVTPL.

Based on the communication with the U.S. Food and Drug administration during 2025, the management of the Company decided to pause the development of FGF401. The fair value of the series A-2 preferred shares issued by EverNov was evaluated as nil as at 31 December 2025 because the management of EverNov assessed that EverNov will not have any distributable assets to the shareholders of EverNov because FGF401 was the only pipeline under development by EverNov.

28. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Right of use assets RMB'000
At 1 January 2024	12,941
Deferred tax credited to profit or loss during the year	(1,910)
At 31 December 2024 and 1 January 2025	**11,031**
Deferred tax credited to profit or loss during the year	**3,343**
At 31 December 2025	**14,374**

28. DEFERRED TAX (CONTINUED)

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2024	–	12,941	12,941
Deferred tax charged to profit or loss during the year	–	(1,910)	(1,910)
At 31 December 2024 and 1 January 2025	**–**	**11,031**	**11,031**
Deferred tax charged to profit or loss during the year	**300,598**	**3,343**	**303,941**
Exchange realignment	**(1,074)**	**–**	**(1,074)**
At 31 December 2025	**299,524**	**14,374**	**313,898**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	**299,524**	–
Net deferred tax liabilities recognised in the consolidated statement of financial position	**–**	–

The Group has tax losses arising in Chinese Mainland of RMB1,498,388 thousand (2024: RMB1,356,782 thousand) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group also has tax losses arising in Singapore that are available indefinitely for offsetting against future taxable profits. In 2025, as the Singapore subsidiary has become profitable and management expects it to generate sufficient profits in 2026 and beyond, the Group has fully recognised deferred tax assets of RMB299,524 thousand.

28. DEFERRED TAX (CONTINUED)

Deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Tax losses	327,980	608,240
Deductible temporary differences	5,347	3,066
Total	333,327	611,306

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Chinese Mainland in respect of earnings generated from 1 January 2008. The applicable rate is 10% (2024: 10%) for the Group.

29. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants related to assets	5,743	5,898

On 17 February 2023, the Group received a government grant of RMB6.2 million from local government to subsidise the Group's purchase of property, plant and equipment. The Group recorded the grant as deferred income in non-current liabilities, which is recognised as other income on a straight-line basis over the expected useful lives of the related assets.

30. SHARE CAPITAL

Shares

	Number of shares	Nominal value of shares in USD
Authorised		
Authorised shares upon incorporation and as at 31 December 2025 and 2024	500,000,000	50,000

30. SHARE CAPITAL (CONTINUED)

Shares (continued)

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
353,577,866 (2024: 326,498,604) ordinary shares	241	221

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital RMB'000
As at 1 January 2024	323,704,720	219
Exercise of share options	2,793,884	2
As at 31 December 2024 and 1 January 2025	326,498,604	221
Issuance of shares to Share Scheme Trusts (a)	2,606,081	2
Issue of shares (b)	22,561,000	16
Exercise of share options	1,912,181	2
As at 31 December 2025	353,577,866	241

Notes:

(a) The Company issued ordinary shares with respect to the restricted share units and share options under the employee share-based payment arrangements to be vested or exercised by certain grantees of the Company to Amethyst Blessing Limited and Amethyst Blessing III Limited ("Share Scheme Trusts"), which were established to hold the shares for and on behalf of the grantees.

The Company has the power to direct the relevant activities of the Share Scheme Trusts and it has the ability to use its power over the Share Scheme Trusts to affect its exposure to returns. Therefore, the Company has consolidated the Share Scheme Trusts. Before the release of shares to grantees upon the vesting and exercise of their awards, the ordinary shares held by Share Scheme Trusts were regarded as treasury shares and presented as a deduction in equity (note 32).

(b) In July 2025, the Company's board of directors announced a total number of 22,561,000 ordinary shares at a subscription price of HKD69.70 per share via a placing according to the terms and conditions set out in the placing and subscription agreement entered into between the Company, the seller and the placement agents on 25 July 2025. The completion of the placing took place on 30 July 2025 and the Company allotted and issued 22,561,000 subscription shares to the seller at HKD69.70 per subscription share on 1 August 2025, a total of HKD1,555,070,518 was raised. Further details of the placing are set out in the announcements dated 25 July 2025 and 1 August 2025 issued by the Company.

31. SHARE INCENTIVE PLANS

The Company operates multiple share incentive plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the plans include the Company's directors, employees and consultants of the Group. The incentive plans, namely Pre-IPO MSOP, Pre-IPO ESOP, Post-IPO Share Option Scheme and the Post-IPO Share Award Scheme are defined below.

The Company's Pre-IPO MSOP was adopted pursuant to the resolution passed on 23 November 2017 for the primary purpose of advancing the interests of the Company by providing the grant to participants of the options, and motivating the selected participants to contribute to the Company's growth and development. Such plan has a contractual term of ten years from the adoption date.

The Company's Pre-IPO ESOP was adopted pursuant to the resolution passed on 26 August 2018, and amended on 17 February 2020 for the primary purpose of advancing the interests of the Company by providing the grant to participants of the options and restricted share units (the "RSU"), and motivating the selected participants to contribute to the Company's growth and development. Such plan has a contractual term of ten years from adoption date.

The Company's Post-IPO Share Option was adopted pursuant to the resolution passed on 21 September 2020 for the primary purpose of encouraging the eligible person to work towards enhancing the value of the Company and the shares for the benefit of the Company and shareholders as a whole by providing the grant to participants of the options. Such plan has a contractual term of ten years from the adoption date.

The Company's Post-IPO Award Scheme was adopted pursuant to the resolution passed on 21 September 2020 for the primary purpose of encouraging the eligible person to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group by providing the grant to participants of the RSUs.

The directors of the Company approved up to 22,932,908 shares of the Company in which options may be granted under the Pre-IPO ESOP, up to 28,369,038 shares of the Company in which options may be granted under the Post-IPO Share Option, and up to 18,684,519 shares of the Company in which options may be granted under the Post-IPO Share Award Scheme.

31. SHARE INCENTIVE PLANS (CONTINUED)

1) Share options

On 1 April 2025, 4,451,533 share options were granted to two directors and certain employees with service condition under Post-IPO Share Option Scheme. The share options shall become exercisable as to 25%, 25%, 25% and 25% of the total number of the share options granted on the first, second, third and fourth anniversaries of the commencement date, respectively. The exercise price is HKD55.61.

On 2 October 2025, 74,000 share options were granted to the employees with service condition under Post-IPO Share Option Scheme. The share options shall become exercisable as to 25%, 25%, 25% and 25% of the total number of the share options granted on the first, second, third and fourth anniversaries of the commencement date, respectively. The exercise price is HKD57.50.

On 10 October 2025, 1,237,374 share options were granted to a director with service condition under Post-IPO Share Option Scheme. The share options shall become exercisable as to 25%, 25%, 25% and 25% of the total number of the share options granted on the first, second, third and fourth anniversaries of the commencement date, respectively. The exercise price is HKD56.63.

The following share options were outstanding during the year:

	At 31 December 2025		At 31 December 2024	
	Weighted average exercise price USD per share	**Number of options**	Weighted average exercise price USD per share	Number of options
As at 1 January	**2.57**	**19,235,407**	2.21	15,623,594
Granted	**7.18**	**5,762,907**	2.92	7,502,380
Forfeited	**3.49**	**1,116,307**	2.49	(1,096,683)
Exercised	**2.60**	**(1,912,181)**	1.54	(2,793,884)
As at 31 December	**3.41**	**21,969,826**	2.57	19,235,407

31. SHARE INCENTIVE PLANS (CONTINUED)

1) Share options (continued)

The fair value of the share options granted during the year was RMB140,209 thousand (2024: RMB43,398 thousand). The Group recognised share-based payment expenses of RMB69,473 thousand (2024: RMB41,207 thousand) during the year ended 31 December 2025.

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2025	2024
Dividend yield (%)	–	–
Expected volatility (%)	55	55
Risk-free interest rate (%)	2.84 to 3.28	2.7 to 3.49
Weighted average share price (USD per share)	7.18	2.92

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

2) Restricted share units ("RSUs")

On 1 April 2025, 551,730 restricted share units ("Batch 1") were granted to two directors and certain chief managements with service and performance conditions. Batch 1 shall commence if the Company scorecard in 2025 is achieved and the individual performance rating result in 2025 is "Met Expectations" or above. The Company scorecard includes target on revenue and profitability, capital market, clinical development, operational excellence and organization. In addition to performance-based vesting condition, the restricted share units granted to grantees shall vest and become exercisable as to 25%, 25%, 25% and 25% of the total number of the restricted share units granted on the first, second, third and fourth anniversaries of the commencement date, respectively. The fair value of Batch 1 was estimated as at the date of grant using Monte Carlo Simulation model to simulate the share price trend in the future to determine the time when such market performance conditions (i.e. target on capital market mentioned above) are met. The fair value of Batch 1 was HKD5.45.

31. SHARE INCENTIVE PLANS (CONTINUED)

2) Restricted share units ("RSUs") (continued)

On 1 April 2025, 1,150,397 restricted share units ("Batch 2") with service rendered were granted to certain employees with service conditions, respectively. The restricted share units granted to grantees shall vest and become exercisable as to 25%, 25%, 25% and 25% of the total number of the restricted share units granted on the first, second, third and fourth anniversaries of the commencement date, respectively. The fair values of Batch 2 were determined using the fair values of the Company's ordinary shares of HKD54.45 at the grant date.

On 2 October 2025 and 10 October 2025, 234,800 restricted share units ("Batch 3") and 530,303 restricted share units ("Batch 4") were granted to a director and certain employees with service conditions, respectively. The restricted share units granted to grantees shall vest and become exercisable as to 25%, 25%, 25% and 25% of the total number of the restricted share units granted on the first, second, third and fourth anniversaries of the commencement date, respectively. The fair values of Batch 3 and Batch 4 were determined using the fair values of the Company's ordinary shares of HKD57.50 and HKD53.20 at the grant date, respectively.

The subscription price for Batch 1 to Batch 4 are all nil.

The following restricted share units were outstanding under restricted share units during the year:

	2025	2024
	Number of RSUs	Number of RSUs
As at 1 January	**6,632,650**	5,925,488
Granted	**2,467,230**	3,808,420
Forfeited	**(1,169,832)**	(876,667)
Vested	**(2,505,647)**	(2,224,591)
As at 31 December	**5,424,401**	6,632,650

The fair value of the restricted share units granted during the year was RMB115,469 thousand (2024: RMB41,654 thousand). The Group recognised share-based payment expenses of RMB62,069 thousand (2024: RMB49,891 thousand) during the year ended 31 December 2025.

31. SHARE INCENTIVE PLANS (CONTINUED)

2) Restricted share units ("RSUs") (continued)

The fair values for RSUs with performance conditions on each grant date during the years ended 31 December 2025 and 2024 were computed using the Monte Carlo Simulation model with the assumptions summarised as follows:

	2025 RMB'000	2024 RMB'000
Risk-free interest rate (%)	3.05	4.21–4.31
Expected dividend yield (%)	–	–
Expected volatility (%)	75	55

32. TREASURY SHARES

A summary of movements in the Company's treasury shares is as follows:

	Number of shares		Treasury shares	
	2025	2024	2025 RMB'000	2024 RMB'000
At the beginning of the year	2,150,996	4,348,701	–	1
Issuance of shares to Share Scheme Trusts	2,606,081	–	2	–
Restricted share units vested	(2,516,834)	(2,197,705)	(2)	(1)
At the end of the year	2,240,243	2,150,996	–	–

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(i) Capital reserve

Share reserve includes share premium arising from the issuance of shares of the Company at a price in excess of par value and the share-based payments reserve.

(ii) Treasury shares

As instructed by the board of directors, ordinary shares were issued to the Share Scheme Trusts and such shares will be held by the trustee and recognised as treasury shares until such shares are vested in accordance with the provisions of the share incentive plan.

(iii) FVTOCI reserve

The FVTOCI reserve comprises the fair value change of the equity instruments designated at FVTOCI and share of the associate's other comprehensive income.

(iv) Exchange reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies outside Chinese Mainland.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB27,933 thousand (2024: RMB9,178 thousand) and RMB27,933 thousand (2024: RMB9,178 thousand), respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

	Borrowings RMB'000	Lease liabilities RMB'000	Financial instruments issued to investors RMB'000
At 1 January 2025	499,694	49,548	26,364
Changes from financing cash flows	346,367	(20,341)	–
New leases	–	44,840	–
Interest expense	20,700	2,573	–
Lease modification	–	(14)	–
Disposal	–	(16,893)	–
Fair value gain in financial instruments issued to investors	–	–	(26,201)
Exchange realignment	(208)	10	(163)
At 31 December 2025	866,553	59,723	–

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in liabilities arising from financing activities (continued)

	Borrowings RMB'000	Lease liabilities RMB'000	Financial instruments issued to investors RMB'000
At 1 January 2024	451,978	58,648	28,614
Changes from financing cash flows	28,020	(20,782)	–
New leases	–	3,073	–
Interest expense	19,696	2,493	–
Lease modification	–	6,105	–
Fair value gain in financial instruments issued to investors	–	–	(2,652)
Exchange realignment	–	11	402
At 31 December 2024	499,694	49,548	26,364

35. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Property, plant and equipment	**35,075**	14,913

36. RELATED PARTY TRANSACTIONS

Name of the related party and its relationship with the Group are set out below:

CBC Group, mainly comprises C-Bridge Healthcare Fund II, L.P., C-Bridge Investment Everest Limited, C-Bridge II Investment Eight Limited, C-Bridge Healthcare Fund IV, L.P., C-Bridge IV Investment Two Limited, C Bridge IV Investment Nine Limited Ltd., C-Bridge Capital Investment Management, Ltd. ("C-Bridge Capital"), CBC Group Investment Management, Ltd, C-Bridge Value Creation Limited and Everest Management Holding Co., Ltd. As at 31 December 2025, C Bridge Healthcare Fund II, L.P. and C-Bridge Healthcare Fund IV, L.P. owned approximately 24.10% (2024: 39.48%) of shares in the Group on a collective basis.

(a) The Group had the following transactions with related parties during the year:

	2025 RMB'000	2024 RMB'000
Management consultancy services provided by a related party		
CBC Joint Value Creation Limited	4,286	3,205
In-license agreements entered with related parties		
NovaBridge	50,008	–
Hasten	240,553	–
Loan to directors	10,392	29

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Outstanding balance with a related party

	2025 RMB'000	2024 RMB'000
Loan to directors (note 20 (b))	12,767	2,468
Deposit paid to Hasten (note 20 (a))	100,000	–

(c) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	32,828	30,305
Performance related bonuses	30,530	42,292
Share-based payment expenses	66,212	41,915
Pension scheme contributions	1,102	612
	130,672	115,124

Further details of directors' and the chief executive's emoluments are included in note 10 to the financial statements.

37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at FVTPL RMB'000	Financial assets at FVTOCI RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets included in other non-current assets	–	–	110,899	110,899
Financial assets included in prepayments and other current assets	–	–	10,019	10,019
Trade receivables	–	–	500,017	500,017
Bank deposits	–	–	887,086	887,086
Cash and cash equivalents	–	–	1,844,385	1,844,385
Total	–	–	3,352,406	3,352,406

Financial liabilities

	Financial liabilities at FVTPL Designated as such upon initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Financial liabilities included in trade and other payables	–	486,718	486,718
Borrowings	–	866,553	866,553
Lease liabilities	–	59,723	59,723
Total	–	1,412,994	1,412,994

37. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2024

Financial assets

	Financial assets at FVTPL RMB'000	Financial assets at FVTOCI RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets included in other non-current assets	–	–	8,509	8,509
Financial assets included in prepayments and other current assets	–	–	1,421	1,421
Trade receivables	–	–	363,572	363,572
Bank deposits	–	–	718,840	718,840
Cash and cash equivalents	–	–	884,468	884,468
Investments in Venatorx	13,557	–	–	13,557
Investments in NovaBridge	–	16,148	–	16,148
Total	13,557	16,148	1,976,810	2,006,515

Financial liabilities

	Financial liabilities at FVTPL Designated as such upon initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Financial liabilities included in trade and other payables	–	150,366	150,366
Borrowings	–	499,694	499,694
Lease liabilities	–	49,548	49,548
Financial instruments issued to investors	26,364	–	26,364
Total	26,364	699,608	725,972

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, bank deposits, trade receivables, financial liabilities included trade and other payables, financial assets included in prepayments and other current assets and the current portion of borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for borrowings as at 31 December 2025 were assessed to be insignificant.

The fair value of the preferred shares issued by EverNov as at 31 December 2024 is determined using valuation techniques, including the discounted cash flow method and is within Level 3 fair value measurement. Further details are disclosed in note 27 to the financial statements.

The fair value of investments in NovaBridge as at 31 December 2024 is based on quoted market prices. The fair value of investments in Venatorx as at 31 December 2024 has been estimated using the back-solve method and calibration method first to determine the total equity value, and then the option pricing model to allocate the equity value to the preferred shares. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period. The significant unobservable input used in the valuation of investments in Venatorx is expected volatility and the expected volatility ratio as at 31 December 2024 was 88%.

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets and liabilities measured at fair value:

The Group did not have any financial assets and financial liabilities measured at fair value as at 31 December 2025.

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets				
Investments in Venatorx	–	–	13,557	13,557
Investments in NovaBridge	16,148	–	–	16,148
	16,148	–	13,557	29,705
Financial liabilities				
Financial instruments issued to investors	–	–	26,364	26,364

During the year ended 31 December 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

The Group's principal financial instruments comprise borrowings, bank deposits and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and financial liabilities included in trade and other payables, which arise directly from its operations.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

If interest rates on variable interest rate borrowings had been 10 basis points higher/lower, with all other variables held constant, the Group's post-tax profit would have decreased/increased by approximately RMB3,219 thousand for the year ended 31 December 2025 (2024: RMB294 thousand).

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales, purchases or borrowings by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's loss before tax and the Group's equity.

	Increase/ (decrease) in foreign exchange rate %	(Decrease)/ increase in loss before tax RMB'000	(Decrease)/ increase in equity RMB'000
2025			
If the RMB weakens against the USD	5	15,949	15,949
If the RMB strengthens against the USD	(5)	(15,949)	(15,949)
2024			
If the RMB weakens against the USD	5	(11,564)	11,564
If the RMB strengthens against the USD	(5)	11,564	(11,564)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The carrying amounts of cash and cash equivalents, bank deposits, trade receivables and other receivables represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with cash and cash equivalents, bank deposits since they are substantially held in reputable state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group trades only with recognised and creditworthy customers with no requirement for collateral. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In order to minimise the credit risk, the Group reviews the recoverable amount of each individual trade receivable periodically and management has also implemented monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experiences do not indicate significantly different loss patterns for different segments, the loss allowance based on the past-due status is not further distinguished between the Group's different customer bases.

The Group also expects that there is no significant credit risk associated with amounts due from related parties and other receivables since the counterparties to these financial assets have no history of default.

For other financial assets, amounts due from related parties and other receivables, impairment is measured at 12-month expected credit losses as there has been no significant increase in credit risk since initial recognition.

An impairment analysis was performed at 31 December 2025 and 2024 using a provision matrix to measure expected credit losses of trade receivables. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and borrowings. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

	2025				
	Less than 1 year or on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Financial liabilities included in trade and other payables	486,718	–	–	–	486,718
Lease liabilities	19,476	16,377	26,216	47	62,116
Borrowings	97,729	359,680	168,155	336,254	961,818
	603,923	376,057	194,371	336,301	1,510,652

	2024			
	Less than 1 year or on demand RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Total RMB'000
Financial liabilities included in trade and other payables	150,366	–	–	150,366
Lease liabilities	18,783	18,303	13,850	50,936
Borrowings	446,208	56,845	–	503,053
Financial instruments issued to investors	–	–	26,364	26,364
	615,357	75,148	40,214	730,719

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The current ratios as at the end of the reporting periods were as follows:

	2025 RMB'000	2024 RMB'000
Current assets	3,373,548	2,015,634
Current liabilities	689,613	793,539
Current ratio (note)	4.89	2.54

Note: The current ratio is calculated by current assets divided by current liabilities and multiplied by 100%.

40. EVENTS AFTER THE REPORTING PERIOD

In February 2026, Everest Medicines (China) Co., Ltd., an indirect wholly-owned subsidiary of the Company, entered into an agreement with Shaanxi Micot Pharmaceutical Technology Co., Ltd. ("Micot"), pursuant to which Micot irrevocably granted to Everest Medicines (China) Co., Ltd. an exclusive license to commercialise MT1013 in the PRC and Asia-Pacific (excluding Japan). Under the exclusive license, the payment obligations include: (i) an upfront payment of RMB200 million; and (ii) potential regulatory and commercial milestone payments of up to RMB1,040 million. Details of the transaction are disclosed in the Company's announcement dated 5 February 2026.

On 17 March 2026, the Company entered into a letter of intent (the "Letter of Intent") with Hasten Biopharmaceuticals (Asia) Limited (the "Seller") in relation to the possible acquisition of the entire equity interest in Hasten Biopharmaceuticals (SG) Pte. Ltd., a wholly-owned subsidiary of the Seller (the "Target Company"). The Company shall pay to the Seller a refundable deposit of RMB200,000,000 under the Letter of Intent and is granted the exclusivity in the six months following the date of the Letter of Intent. Details of the transaction are disclosed in the Company's announcement dated 17 March 2026.

40. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

On 23 March 2026, Everest Medicines (Singapore) Pte. Ltd. (the "Buyer"), a wholly-owned subsidiary of the Company, and Corxel Pharmaceuticals Hong Kong Limited (the "Seller") entered into the asset purchase agreement, pursuant to which, the Buyer agreed to acquire, and the Seller agreed to sell, the legal and beneficial right, title and interest in and to any and all assets, properties and rights relating to the development, manufacture or exploitation of any pharmaceutical product that uses a device to deliver the etripamil (as the sole active ingredient) by nasal spray in the PRC, including Chinese Mainland, Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan at a consideration of up to US$50 million (approximately RMB344,895,000). Details of the transaction are disclosed in the Company's announcement dated 23 March 2026.

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Intangible assets	759,230	794,800
Investments in subsidiaries	6,095,288	6,583,134
Investment in an associate	302,103	–
Investments	–	16,148
Amounts due from subsidiaries	269,787	75,741
Other non-current assets	2,458	2,468
Total non-current assets	7,428,866	7,472,291
CURRENT ASSETS		
Amounts due from subsidiaries	4,302	2,642
Prepayments and other current assets	88	1,402
Bank deposits	887,086	718,840
Cash and cash equivalents	1,779,828	632,476
Total current assets	2,671,304	1,355,360

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES		
Amounts due to subsidiaries	881,805	875,838
Trade and other payables	6,515	3,939
Borrowings	10,535	230,267
Total current liabilities	898,855	1,110,044
NET CURRENT ASSETS	1,772,449	245,316
TOTAL ASSETS LESS CURRENT LIABILITIES	9,201,315	7,717,607
NON-CURRENT LIABILITIES		
Borrowings	162,712	–
Total non-current liabilities	162,712	–
Net assets	9,038,603	7,717,607
EQUITY		
Share capital	241	221
Reserves (note)	15,625,320	14,042,141
Accumulated deficit (note)	(6,904,989)	(6,583,865)
Accumulated other comprehensive income (note)	318,031	259,110
Total equity	9,038,603	7,717,607

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve RMB'000	Treasury shares RMB'000	FVTOCI reserve RMB'000	Exchange fluctuation reserve RMB'000	Accumulated deficits RMB'000	Total RMB'000
Balance at 1 January 2024	13,920,484	(1)	(229,503)	340,173	(6,268,254)	7,762,899
Loss for the year	–	–	–	–	(315,611)	(315,611)
Share-based payments	91,098	–	–	–	–	91,098
Restricted share units vested	(1)	1	–	–	–	–
Exercise of share options	30,560	–	–	–	–	30,560
Foreign currency translation	–	–	–	168,389	–	168,389
Change in fair value of financial assets at FVTOCI	–	–	(19,949)	–	–	(19,949)
At 31 December 2024 and 1 January 2025	**14,042,141**	**–**	**(249,452)**	**508,562**	**(6,583,865)**	**7,717,386**
Loss for the year	–	–	–	–	(122,588)	(122,588)
Share-based payments	131,776	–	–	–	–	131,776
Restricted share units vested	(2)	2	–	–	–	–
Share of other comprehensive income of an associate	–	–	8,449	–	–	8,449
Share of other reserve of an associate	2,660	–	–	–	–	2,660
Exercise of share options	34,564	–	–	–	–	34,564
Transfer to investments in an associate	–	–	198,536	–	(198,536)	–
Issuance of shares to Share Scheme Trusts	–	(2)	–	–	–	(2)
Issue of shares	1,414,181	–	–	–	–	1,414,181
Foreign currency translation	–	–	–	(198,980)	–	(198,980)
Change in fair value of financial assets at FVTOCI	–	–	50,916	–	–	50,916
At 31 December 2025	**15,625,320**	**–**	**8,449**	**309,582**	**(6,904,989)**	**9,038,362**

42. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2026.

Five Year Financial Summary

CONSOLIDATED RESULTS

	Years ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating loss	**(613,955)**	(1,117,044)	(932,738)	(256,800)	(1,026,332)
Loss before income tax	**(598,364)**	(1,041,375)	(844,463)	(247,275)	(1,008,719)
Loss for the year attributable to the equity holders of the Company	**(297,766)**	(1,041,375)	(844,463)	(247,283)	(1,008,719)
Total comprehensive loss for the year attributable to the equity holders of the Company	**(352,234)**	(1,017,534)	(789,022)	(490,146)	(1,121,208)

CONSOLIDATED ASSETS AND LIABILITIES

	Years ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000 (restated)	RMB'000 (restated)	RMB'000 (restated)
Non-current assets	**3,461,432**	2,943,214	3,265,159	3,200,596	3,957,895
Current assets	**3,373,548**	2,015,634	2,507,613	3,414,142	2,687,928
Total assets	**6,834,980**	4,958,848	5,772,772	6,614,738	6,645,823
Non-current liabilities	**841,608**	92,515	475,363	59,307	456,783
Current liabilities	**689,613**	793,539	328,741	900,948	297,044
Total liabilities	**1,531,221**	886,054	804,104	960,255	753,827
Total equity	**5,303,759**	4,072,794	4,968,668	5,654,483	5,891,996

Definitions

"2025 License Agreement"	a license agreement entered into between Everest Medicines (China) Co., Ltd, a wholly-owned subsidiary of the Company (the "Subsidiary") and Hasten on 11 December 2025, pursuant to which Hasten has granted the Subsidiary a non-transferable and non-assignable, exclusive (even as to Hasten and its affiliates) license, with the limited right to sublicense
"AGM"	the annual general meeting of the Company to be held before 30 June 2026
"Articles of Association"	the articles of association of the Company amended on 28 June 2024, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Board" or "Board of Directors"	the board of directors of our Company
"CBC Group"	mainly comprises C-Bridge Healthcare Fund II, L.P., C-Bridge Investment Everest Limited, C-Bridge II Investment Eight Limited, C-Bridge Healthcare Fund IV, L.P., C-Bridge IV Investment Two Limited, C-Bridge IV Investment Nine Limited Ltd., C-Bridge Capital Investment Management, Ltd., CBC Group Investment Management, Ltd, C-Bridge Joint Value Creation Limited and Everest Management Holding Co., Ltd. The aforementioned entities are directly and indirectly controlled by Nova Aqua Limited, the entire interest of which is held by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. Wei Fu (as settlor) for the benefit of Mr. Wei Fu and his family
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"China" or the "PRC"	the People's Republic of China, and for the purpose of this report only, except where the context requires otherwise, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Company", "our Company", "the Company" or "Everest Medicines"	Everest Medicines Limited, an exempted company with limited liability incorporated in Cayman Islands and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1952)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transactions"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of our Company
"Global Offering"	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
"Group", "our Group", "the Group", "we", "us" or "our"	the Company and its subsidiaries from time to time
"Hasten"	Hasten Biopharmaceutical Co., Ltd., a company established in the PRC
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong dollars", "HK dollars", "HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IND"	investigational new drug or investigational new drug application, also known as clinical trial application in China
"Independent Shareholders"	the Shareholders who are not required under the Listing Rules to abstain from voting on the resolutions relating to the relevant proposal(s) at the general meeting
"IPO"	initial public offering

Definitions

"Latest Practicable Date"	23 March 2026, being the latest practicable date for ascertaining certain information in this annual report before its publication
"Licensed Compound"	Lerodalcibep (formerly LIB003) developed by LIB for the treatment of hypercholesteremia and prevention of cardiovascular events for patients with ASCVD
"Licensed Product"	a pharmaceutical product containing a Licensed Compound whether alone as the sole active pharmaceutical ingredient or as a combination with other additional active(s) in any form, presentation, formulation or dosage form, with certain specified exclusions
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Date"	9 October 2020, the date on which the Shares were listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Micot"	Shaanxi Micot Pharmaceutical Technology Co., Ltd., a biotechnology company
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"NDA"	new drug application
"NMPA"	China National Medical Products Administration (國家藥品監督管理局), successor to the China Food and Drug Administration (國家食品藥品監督管理總局)
"Nomination Committee"	the nomination committee of the Company
"Post-IPO Share Award Scheme"	the post-IPO share award scheme adopted by the Company on 21 September 2020
"Post-IPO Share Option Scheme"	the post-IPO share option scheme adopted by the Company on 21 September 2020

"Post-IPO Share Schemes"	the Post-IPO Share Award Scheme and the Post-IPO Share Option Scheme
"Pre-IPO ESOP"	the employee equity plan approved and adopted by our Company on 25 December 2018 as amended and restated on 17 February 2020
"Prospectus"	the prospectus of the Company dated 25 September 2020
"Remuneration Committee"	the remuneration committee of the Company
"Reporting Period"	the year ended 31 December 2025
"RMB" or "Renminbi"	Renminbi, the lawful currency of PRC
"R&D"	research and development
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company, currently with a par value of US$0.0001 each
"Share Schemes"	the Pre-IPO Share ESOP and the Post-IPO Share Schemes
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"treasury shares"	has the meaning ascribed to it in the Listing Rules

Definitions

"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"%"	per cent