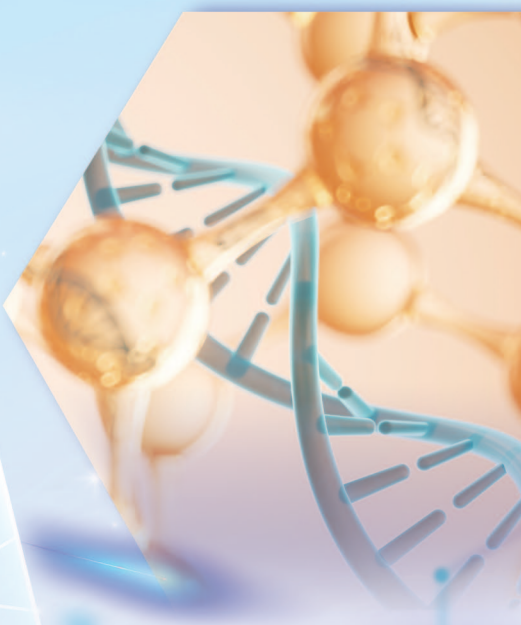
石藥集團有限公司

CSPC PHARMACEUTICAL GROUP LIMITED

(Stock Code : 1093)

ANNUAL REPORT 2025



INNOVATION

Contents

Definitions

In this report, unless the context otherwise requires, the following expressions have the following meanings:

AGM	for	the annual general meeting of the Company
Board	for	the board of Directors of the Company
CEO	for	the chief executive officer of the Company
Chairman	for	the chairmen of the Board
Chinese Mainland	for	the PRC, excluding Hong Kong, Macao and Taiwan for the purpose of this annual report
Company	for	CSPC Pharmaceutical Group Limited
COO	for	the chief operating officer of the Company
Director(s)	for	the director(s) of the Company
Group	for	the Company and its subsidiaries
HK or Hong Kong	for	the Hong Kong Special Administrative Region of the PRC
HK$	for	Hong Kong dollar(s), the lawful currency of Hong Kong
Stock Exchange	for	The Stock Exchange of Hong Kong Limited
Listing Rules	for	the Rules Governing the Listing of Securities on the Stock Exchange
Last year	for	period from 1 January 2024 to 31 December 2024
Macao	for	the Macao Special Administrative Region of the PRC
PRC	for	the People's Republic of China
Reporting period or current period or this year	for	period from 1 January 2025 to 31 December 2025
RMB	for	Renminbi, the lawful currency of PRC
SFO	for	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
the U.S.	for	United States
Vice-Chairman(s)	for	the vice-chairman(s) of the Board

Corporate Information

BOARD OF DIRECTORS

Executive Directors

CAI Dong Chen *(Chairman)*
CAI Lei *(Vice-Chairman and Chief Executive Officer)*
WEI Qingjie *(Vice-Chairman and Chief Operating Officer)*
ZHANG Cuilong
WANG Zhenguo
WANG Huaiyu
LI Chunlei
YAO Bing
CAI Xin
CHEN Weiping
QU Zhiyong
ZHANG Yiwei

Independent Non-executive Directors

WANG Bo
CHEN Chuan
WANG Hongguang
AU Chun Kwok Alan
LAW Cheuk Kin Stephen
LI Quan

AUDIT COMMITTEE

AU Chun Kwok Alan *(Chairman)*
WANG Bo
CHEN Chuan

NOMINATION COMMITTEE

CAI Dong Chen *(Chairman)*
WANG Bo
CHEN Chuan
LI Quan

REMUNERATION COMMITTEE

AU Chun Kwok Alan *(Chairman)*
WANG Bo
CHEN Chuan

COMPANY SECRETARY

LO Tai On

REGISTERED OFFICE

Suite 3206
32nd Floor
Central Plaza
18 Harbour Road
Wan Chai
Hong Kong

SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

1093

WEBSITE ADDRESS

www.cspc.com.hk

Financial Highlights

	2025	2024	Change
(in RMB'000, unless otherwise stated)			
Revenue by business units:			
Finished drugs	**20,583,729**	23,736,157	-13.3%
Bulk products	**3,656,972**	3,583,163	+2.1%
Functional food and others	**1,765,279**	1,689,934	+4.5%
Total revenue	**26,005,980**	29,009,254	-10.4%
Profit attributable to shareholders of the Company			
Reported	**3,882,108**	4,328,035	-10.3%
Underlying *(Note)*	**3,534,326**	4,682,909	-24.5%
Earnings per share *(RMB cents)*			
Based on reported profit attributable to shareholders of the Company			
— Basic	**33.98**	36.87	-7.8%
— Diluted	**33.98**	36.87	-7.8%
Final dividend per share *(HK cents)*	**15.00**	10.00	+50.0%
Full-year dividend per share *(HK cents)*	**29.00**	26.00	+11.5%

Note: Underlying profit attributable to shareholders of the Company, a non-HKFRS Accounting Standards measure, represents profit attributable to shareholders of the Company before taking into account fair value changes on financial assets measured at fair value through profit or loss ("FVTPL"), and employee share-based compensation expense. A reconciliation between reported and underlying profit is provided on page 41 of this report.

CHAIRMAN'S STATEMENT

Results

In 2025, the reported profit attributable to shareholders of the Company was RMB3,882 million, compared with RMB4,328 million in 2024. The underlying profit attributable to shareholders of the Company for the year (excluding fair value changes on financial assets measured at FVTPL and employee share-based compensation expenses) was RMB3,534 million, compared with RMB4,683 million in 2024.

Dividend and Share Buy-Backs

The Board recommended a final dividend of HK15 cents per share for 2025. Subject to the approval of shareholders of the Company at the forthcoming annual general meeting, the proposed final dividend will be paid on Wednesday, 15 July 2026 to shareholders of the Company whose names appear on the register of members on Monday, 29 June 2026. Together with an interim dividend of HK14 cents per share, the full-year dividend for 2025 amounted to HK29 cents per share, an increase of 11.5% as compared to 2024.

In 2025, the Group utilised a total of approximately HK$300 million to repurchase and cancel 64,300,000 shares in aggregate.

Industry Review

In 2025, jointly driven by the combined impetus of deepened reform and precision regulation in China's pharmaceutical industry, the industry entered a critical transition period for high-quality development with both opportunities and challenges and exhibited a distinct shift, leaping from scale-driven growth to value-driven innovation. China achieved a historic breakthrough in the review and approval of innovative drugs in 2025, with a total of 76 innovative drugs approved for marketing during the year, hitting a record high.

On 30 June 2025, the National Healthcare Security Administration and the National Health Commission of the PRC jointly issued the Circular on Several Measures to Support the High-Quality Development of Innovative Drugs (《支持創新藥高質量發展的若干措施》). This policy improved the full-chain support system for innovative drugs and established systematic support for the entire life cycle of innovative drugs in aspects including Research and Development ("R&D") support, accelerated market access, relaxed assessment requirements and diversified payment methods.

The national centralised drug procurement policy has been continuously optimised, with its rules constantly refined. The 11th batch of national centralised procurement as well as the successive procurement for drugs covered in the 1st to 8th batches of centralised procurement have been advanced in succession. The relevant measures adhere to the principles of "ensuring stable clinical supply, upholding product quality, preventing collusive bidding and curbing irrational internal competition", aiming to safeguard enterprises' enthusiasm for innovation, strengthen full-chain quality supervision, optimise the volume reporting mechanism and bidding rules, and check irrational competition in the industry.

Meanwhile, 2025 was widely regarded as a pivotal year of the "value upgrade" for the global business development expansion of China's innovative pharmaceuticals. The total value of out-licensing deals surpassed US$135.6 billion across 157 transactions. In this year, the industry completed a crucial transition from "scale expansion" to "value deepening" and from "product export" to the "technology and standard export".

Business Review

In 2025, the Group closely followed the trajectory of industry development and aligned with policy guidance. We focused on core businesses and advanced management reforms to build a flatter, more efficient organisational structure. By adhering to a dual-engine strategy driven by innovation and internationalisation, the Group consolidated its foundation for steady growth amidst a complex and volatile market environment, providing robust support for strategic breakthroughs.

The Group continues to enrich its product matrix and enhance product competitiveness. A series of major products and new indications approved for marketing between 2024 and 2025 have provided the Group with sustained growth momentum. Mingfule (明復樂®), an innovative drug in the field of cerebrovascular diseases, has continued and strengthened the Group's competitive edge in this area. Its synergistic effect with NBP (恩必普®) further consolidates the Group's leading position in cerebrovascular disease treatment. The successful launches of Enshuxin (恩舒幸®) (enlonstobart for injection), Enyitan (恩益坦®) (the first omalizumab biosimilar), the hypoglycemic drug Prusogliptin Tablets, and Meloxicam Nanocrystal Injection have driven a more balanced layout for the Group's portfolio in autoimmune diseases, endocrine metabolism, and oncology, significantly enhancing future growth potential.

The Group remains steadfast in the belief that R&D innovation is the core competitiveness of a pharmaceutical enterprise and the key to resolving "bottleneck" challenges and driving high-quality industry development. Against the background of continuous policy support for innovation in 2025, the Group increased investment in R&D. Leveraging our eight innovative R&D platforms, we adhere to a clinical-need-oriented approach, systematically advancing the research and clinical development of innovative drugs. In 2025, the Group obtained 14 manufacturing approvals and 73 clinical trial approvals, along with 5 Breakthrough Therapy Designations. Among these are several major products with global patents and substantial market value.

The Group has been promoting the implementation of its innovative pipeline, strengthening breakthroughs in key core technologies. Leveraging its two State Key Laboratories, it focuses on applied basic research and overcoming common technological challenges while actively exploring cutting-edge technologies such as cell therapy and nucleic acid therapy, advancing the R&D of products such as the autologous CAR-T drug candidate SYS6055, therapeutic tumor vaccines, and small nucleic acid drugs. These efforts further optimise the layout of its innovative products, demonstrating the Group's robust innovative R&D capabilities. Additionally, on the digital front, the Group actively deepens the application of AI technology in drug R&D and expands AI-assisted R&D platform. By empowering innovation with technology and accelerating intelligent transformation, the Group continuously enhances its R&D efficiency and its ability to transform outcomes into success.

In terms of internationalisation, the Group is steadily advancing its global strategy and accelerating its overseas market expansion. With a focus on the European and American markets, the Group promotes the project initiation and expansion of high-value-added products including high-end complex injectable preparations, monoclonal/bispecific antibody biologics and inhalants. The Group is actively promoting the marketing authorisation of liposomal amphotericin B for injection in the United States and the European Union, striving to overcome barriers in high-end overseas markets. Meanwhile, the Group continues to deeply cultivate markets along the "Belt and Road", advancing product registration and sales in countries such as Singapore, Thailand, Russia, and Vietnam. By establishing in-depth cooperation with local strategic clients and advancing the construction of an academic promotion platform in Southeast Asia, the Group persistently enhances the contribution of its overseas business.

In terms of business development, since early 2025, the Group has completed five out-licensing deals, with an aggregate contract value of US$28.21 billion. This fully demonstrates the Group's international innovation capabilities and technological strength, significantly enhancing its international visibility and industry influence, and laying a solid foundation for expanding overseas markets and deepening international cooperation.

The Group attaches great importance to Environmental, Social and Governance ("ESG") initiatives, adhering to the principles of green development, harmonious coexistence and sustainable operations. It continuously improves its corporate governance system and actively fulfills its social responsibilities. The Company has maintained an A rating in the MSCI ESG Ratings for five consecutive years.

Outlook

We strongly believe that R&D innovation is the core competitiveness of pharmaceutical enterprises. Looking forward, the Group will continue to leverage the core strengths of its eight innovative R&D platforms, make every effort to advance the realisation of key pipelines, and seize critical R&D milestones in 2026. Adhering to clinical demand as the guiding principle, we will actively deploy new targets and expand into emerging sectors including gene therapy, cell therapy and metabolomics. Meanwhile, we will further deepen the integration of AI technology in drug discovery and development. Leveraging our AI-driven drug discovery platform, we will also accelerate the identification and optimisation of innovative drug candidates, enhance R&D efficiency and precision, and empower innovation through technology. This will drive the Group's transformation into an intelligent pharmaceutical enterprise, thereby comprehensively elevating its R&D capabilities and accelerating the translation of research outcomes.

In terms of internationalisation, building upon the solid foundation laid by major licensing and collaborations in 2025, we will deepen our global strategy and achieve an upgrade from "overseas expansion for product" to "overseas expansion for platform and technology". We will also strengthen strategic collaborations with world-leading pharmaceutical companies, further accelerate out-licensing arrangements, improve the operational efficiency of overseas businesses, enhance synergy with local partners, and expand product registration and commercial networks. By advancing the internationalisation process of our products, we will deliver more innovative results to the global market and demonstrate the Group's capabilities and influence in pharmaceutical innovation.

2026 marks the opening year of the 15th Five-Year Plan. As the core arena and breakthrough point for the future industries such as biomanufacturing, the biopharmaceutical section faces significant strategic opportunities. The Group will uphold its core philosophy of "All for good medicine, all for mankind's health", and implement its development strategy of "Innovation, Growth and Sustainability". We will promote the deep integration of industrial and technological innovation, supporting China's pharmaceutical industry to align with international standards on its path of high-quality development.

Appreciation

I would like to take this opportunity to express my sincere gratitude to all staff for their dedication and diligence. I would also like to extend my heartfelt thanks to all our shareholders, business partners and customers for their enduring trust and strong support to the Group over the years!

CAI Dong Chen
Chairman

25 March 2026

Management Discussion and Analysis

Overview

The Group is an innovation-driven comprehensive pharmaceutical enterprise integrating R&D, manufacturing and sales. With the corporate mission of "All for good medicine, all for mankind's health", we are committed to developing innovative products to address unmet clinical needs and provide innovative treatment options for patients.

"Leading Innovation and Creating an Excellent CSPC" is the core vision of CSPC people. Under the leadership of the Chairman and guided by the dual-engine strategy of "Innovation and Internationalisation", the Group continues to increase its investment in R&D and strengthen talent acquisition and team building to enhance its domestic and international competitiveness, which provides a strong driving force for the long-term sustainable development of the Group.

The Group has an internationalised R&D team with more than 2,000 professionals and R&D centers located in Shijiazhuang, Shanghai, Beijing and the United States, focusing on key therapeutic areas such as oncology, psychiatry and neurology, cardiovascular, immunology and respiratory, digestion and metabolism, and anti-infectives. Meanwhile, the Group seeks to strengthen platform advantages by building eight core technology platforms to raise the technical barriers to entry, thereby taking the lead in establishing an industry-leading AI drug discovery technology platform and a globally leading delivery technology system, creating a significant competitive edge through differentiation.

The Group has achieved rapid advancements in innovative drug R&D, yielding a continuous stream of innovative achievements. In the field of large molecules, the Group has established a leading antibody-drug conjugate (ADC) platform, with more than 10 ADC drug candidates having entered various clinical stages, and took the initiative to out-license ADC drugs targeting Nectin-4 and other targets to overseas pharmaceutical companies. In the field of small molecules, the Group took the lead in using AI technology for design and screening. The small molecules we developed, such as Lp(a) and MAT2A, have been successfully out-licensed to international pharmaceutical companies like AstraZeneca, sparking a wave of AI-driven small molecule drug R&D domestically. In the field of cell therapy, the Group was the first in the world to advance LNP/mRNA-based CAR-T therapy into clinical trials, with clinical studies targeting indications such as multiple myeloma, lupus erythematosus and myasthenia gravis. In terms of long-acting drug delivery technology, an in situ gel platform has been created by the Group to advance long-acting agents such as octreotide, semaglutide and leuprorelin into clinical trials. In terms of nano-formulation, the Group invented new albumin nano-delivery technology. In a head-to-head comparative study, paclitaxel (albumin-bound) II it developed demonstrated better efficacy and safety profiles compared to the paclitaxel albumin preparation. Docetaxel, sirolimus and other albumin preparations have also shown favorable safety profiles and survival benefits, and have all entered the stage of registrational clinical trials. Our R&D of small nucleic acid drugs ranks among the top tier in China, projects such as PCSK9 and AGT have successively entered clinical trials, the development of mRNA vaccines has expanded from preventive vaccines to therapeutic vaccines, and the clinical trials of a number of projects such as the VZV mRNA vaccine and the HPV therapeutic mRNA vaccine are being accelerated. As a whole, the Group has established eight innovative technology R&D platforms, encompassing nano-formulation, messenger RNA (mRNA), small interfering RNA (siRNA), antibody/fusion protein, cell therapy, and antibody-drug conjugates (ADC), which provide a solid technological foundation for the discovery and translation of innovative drugs.

The Group actively fulfilled its social responsibilities and achieved remarkable results in safeguarding public health and enhancing industry competitiveness. At a time when domestic enterprises had not yet focused on innovative drugs, the Group demonstrated foresight by strategically deploying resources to successfully develop NBP (恩必普®), the first Class 1 innovative drug in the stroke field, which has benefited more than 40 million patients. In order to solve the common problem of bone marrow suppression in tumor chemotherapy, the Group researched and launched Jinyouli (津優力®), the first domestically produced long-acting white blood cell booster formulation. The Group independently developed China's first COVID-19 mRNA vaccine in response to the national call during the COVID-19 pandemic, achieving a breakthrough in mRNA vaccines in China.

In order to further meet the emergency needs of stroke patients, the Group developed Mingfule, China's first thrombolytic drug that can be administered in ambulances, successfully breaking the technological monopoly of foreign countries. The Group took the lead in the R&D and launched several nano-formulations, such as Duoenyi (多恩益®) and Anfulike (安復利克®), which effectively reduced the medication cost, enhanced therapeutic efficacy, and benefited numerous patients. Our independently developed nanodrug Duoenda can significantly prolong patient survival, changing the long-standing situation of ineffective treatments for peripheral T-cell lymphoma. These achievements underscore the Group's patient-centric R&D philosophy and strong sense of social responsibility.

Years of sustained investment and outstanding performance have earned the Group extensive recognition from the government, regulatory authorities and various sectors of society. The Group has been recognised as a "National Innovative Enterprise" and a "National Enterprise Technology Center", with two national key laboratories, including the "National Key Laboratory for New Pharmaceutical Preparations and Excipients" and the "National Engineering Laboratory for Chiral Drugs". In addition, the Group has led the establishment of the "National Nano Intelligent Manufacturing Industry Innovation Center", the only national-level innovation platform in the nano-industry in collaboration with several renowned enterprises.

In terms of scientific and technological innovation evaluation, the Group has won the Second Prize of the National Award for Science and Technology Progress four times, the China Grand Awards for Industry twice and the China Patent Gold Prize three times. The Group has ranked among the global top 25 pharmaceutical pipeline by Citeline for three consecutive years, reaching 19th position this year and up five places from the previous year. This demonstrates the Group's increasing R&D capabilities and international competitiveness.

The Group's R&D achievements (such as Mingfule, NBP and mRNA vaccines) have been published multiple times in the top international journals such as *The New England Journal of Medicine* and *The Lancet*, and have successfully rewritten the Chinese or even international diagnosis and treatment guidelines. Several projects, including mitoxantrone liposomes, EGFR ADC, EGFR monoclonal antibody, SYH1813 and docetaxel (albumin-bound) have been repeatedly invited for oral presentations at international academic conferences such as ASCO, ESMO and ASH, receiving good international response and wide attention from the industry. Furthermore, EGFR ADC, Nectin-4 ADC, CD20/CD47, HER2 bispecific antibody, sirolimus albumin preparation and other products developed by the Group have also been granted a number of Breakthrough Therapy Designations and Fast Track Designation by Chinese and the U.S. regulatory authorities.

At present, the Group has more than 200 innovative drugs and preparations under R&D, including over 90 large molecule drugs, over 60 small molecule drugs, over 50 new preparations and more than 160 clinical trials in progress, some of which have promising market prospects and are significantly superior to existing therapies in efficacy and safety. Representative products in several key areas are as follows:

In the field of breast cancer, our products include paclitaxel (albumin-bound) II for the treatment of advanced breast cancer (head-to-head comparative studies have demonstrated superior efficacy and safety versus Paclitaxel for Injection (Albumin Bound)); KN026 in combination with docetaxel (albumin-bound) for the first-line and neoadjuvant treatment of HER2-positive breast cancer; sirolimus albumin preparation (granted Breakthrough Therapy Designation) in combination with fluvestrant for the second-line treatment of HR-positive/HER2-negative breast cancer; and JSKN003 for the treatment of HER2-positive and HER2-low expression breast cancer in second-line and beyond.

In the field of lung cancer, our products include EGFR ADC for the treatment of EGFR mutated non-small cell lung cancer (NSCLC) in second-line and beyond (granted Breakthrough Therapy Designation and Fast Track Designation); JMT101 in combination with ohitinib for the first-line treatment of EGFR classical mutated NSCLC.

In the field of gastrointestinal tumors, our products include KN026 for second-line treatment of HER2-positive gastric cancer (granted Breakthrough Therapy Designation); cimetinib tablets for second-line treatment of esophageal squamous cell carcinoma; and docetaxel (albumin-bound) for advanced pancreatic cancer and second-line treatment of gastric cancer (phase II clinical trial results were superior to standard treatment) and others.

In the cardiovascular and metabolic field, our products include TG103 for the treatment of diabetes and obesity; prusogliptin and metformin extended-release tablets and prusogliptin, dapagliflozin and metformin extended-release tablets for the treatment of diabetes; valsartan maleate levamlodipine tablets for the treatment of hypertension, and others.

The successive market launches of the aforementioned products will effectively address unmet clinical needs and benefit many patients, while also fully demonstrating the core value of the Group's product pipelines, enhancing the Group's competitiveness in the industry, and providing continuous momentum for the Group's development. At the same time, this also signifies that the Group has quickly passed the painful period of transformation and is steadily moving towards a path of long-term and sustainable development.

In terms of internationalisation, driven by innovative R&D as our engine, the Group is advancing its global strategic deployment to build a worldwide pharmaceutical value ecosystem. In terms of global R&D positioning, with the strategy of "dual China-US regulatory submission", we initiate a number of multi-center clinical trials across Europe and America. The Group has established R&D systems and quality platforms that meet international standards, laying a solid foundation for global product launches. Regarding overseas expansion of innovative products, Nectin-4 ADC, ROR-1 ADC, Lp(a) small molecules and other products independently developed by the Group have been out-licensed overseas. Since the beginning of 2025, the Group has completed five out-licensing projects. Notably, in June 2025 and January 2026, the Group entered into two separate strategic R&D collaborations with AstraZeneca, an internationally renowned pharmaceutical company, on the AI small molecule platform, long-acting delivery technology platform, and AI-enabled peptide drug platform, accelerating the transformation of China's innovative pharmaceutical enterprises from "product export" to "technology platform export" and progressively elevating from "technology licensor" to "global co-developer".

The Group possesses strong commercialisation capabilities and has currently established a professional sales team of over 10,000 individuals, extensively covering medical institutions and retail pharmacy network across the country. We are actively expanding into lower-tier markets and developing the potential of county-level markets to provide high-quality drugs at the grass roots. This established sales team and extensive commercialisation experience provide strong safeguards for the sales performance of the innovative drugs to be launched on the market.

The Group will keep driving the high-quality development of China's pharmaceutical industry through continuous innovation and solid commercialisation capabilities, thereby benefiting more patients.

Business Review

Finished Drug Business

2025 was a pivotal period of deepening reforms in the pharmaceutical industry, during which the Group proactively addressed market challenges brought about by the full rollout of centralised procurement policies. Despite significant price adjustments for core products such as Duomeisu and Jinyouli, which resulted in temporary pressure on revenue from finished drug business, we achieved encouraging progress through forward-looking strategic planning and an innovation-driven development approach. The key initiatives and business reviews are as follows:

Advancing international expansion to unleash the global potential of our innovation-value

Aligned with the "Innovation + Internationalisation" dual-driven strategy, the Group leverages its rich innovation assets to deepen collaborations with international innovative pharmaceutical enterprises. Through diversified approaches including proprietary development, out-licensing and R&D collaborations, we are actively expanding into overseas markets and accelerating the translation and commercialisation of innovative outcomes globally. This strategy has already yielded notable results. Since the beginning of 2025, the Group has concluded 5 out-licensing deals with a contract value reaching US$28.21 billion. This not only injects new growth momentum into our finished drug business but also demonstrates the high level of recognition and trust from the global pharmaceutical industry places in the Group's innovation pipeline. In the future, we will continue to cultivate our out-licensing business, with the goal of developing it into one of the stable, recurring revenue stream of the Group.

Accelerating the advancement of the innovative R&D pipeline to consolidate the core product competitiveness

The Group continues to increase investment in innovative R&D, consistently guided by the unmet clinical needs of patients, focusing on the development of products with differentiated competitive advantages and accelerating the market launch of new products. Simultaneously, we are actively exploring and positioning ourselves in cutting-edge technologies to enhance the long-term competitive advantages of our pipeline, thereby providing robust support for future performance growth.

Proactively addressing market challenges and enhancing channel deployment and academic promotion

The Group continuously optimises its market strategies by intensifying hospital channel penetration, expanding into lower-tier markets, and broadening the retail networks, thereby significantly enhancing product coverage and accessibility. On the academic front, we focus on addressing clinical pain points, expanding indications and clinical application scenarios, while strengthening professional academic promotion to deepen the understanding of our products' clinical value, thereby boosting market penetration and brand influence of our products.

Looking ahead, the pharmaceutical industry is entering a new phase of high-quality development. The Group will proactively capitalise on opportunities arising from industry transformation. In an increasingly complex and volatile market environment, we will further strengthen our core competitiveness to achieve sustainable high-quality development and strive to become a globally leading pharmaceutical enterprise.

The finished drug business recorded a revenue of RMB20,584 million (including licence fee income of RMB1,789 million) throughout the full year of 2025, representing a decrease of 13.3% as compared to the previous year. The analysis of revenue from finished drug business is as follows:

	2025 ***(RMB'000)***	2024 *(RMB'000)*	**Change**
By Therapeutic Area			
Nervous system	**7,817,136**	9,644,960	-19.0%
Oncology	**2,200,925**	4,399,890	-50.0%
Anti-infectives	**3,323,959**	4,086,264	-18.7%
Cardiovascular	**1,833,883**	2,079,144	-11.8%
Respiratory system	**1,222,905**	1,199,216	+2.0%
Digestion and metabolism	**943,326**	1,050,658	-10.2%
Others	**1,452,894**	1,258,194	+15.5%
Sales of goods	**18,795,028**	23,718,326	-20.8%
Licence fee income	**1,788,701**	17,831	+9,931.4%
Total revenue	**20,583,729**	23,736,157	-13.3%

Nervous System

Major products include NBP (恩必普®) (butylphthalide soft capsules/injection), Mingfule (明復樂®) (recombinant human TNK tissue-type plasminogen activator for injection), Oulaining (歐來寧®) (oxiracetam capsules/oxiracetam for injection), Shuanling (舒安靈®) (pentoxifylline extended-release tablets/injection), Enxi (恩悉®) (pramipexole dihydrochloride tablets), Oushuan (歐舒安®) (paliperidone extended-release tablets) and Enliwei (恩理維®) (lacosamide injection/tablets), etc.

- NBP (恩必普®)

  NBP is China's first Class 1 innovative chemical drug with independent intellectual property rights in the field of cerebrovascular diseases. It has received a total of 36 recommendations from professional institutions and clinical guidelines, and is primarily used for the treatment of ischemic stroke and related diseases, making it one of the core therapeutic agents for the clinical diagnosis and treatment of this indication. NBP has currently launched four "14th Five-Year" research projects. Among these, the BLESS study on mild stroke and the IMPACT study on cerebral small vessel disease, both initiated in 2025, are designed to generate high-level clinical evidence for NBP's sequential treatment regimen and long-term medication strategies spanning six months to one year, thereby further solidifying its clinical position in stroke management.

- Mingfule (明復樂®)

  Mingfule is a third-generation specific thrombolytic drug independently developed with complete independent intellectual property rights. As the first tenecteplase approved in China for the indication of acute ischemic stroke (AIS), it has been included in multiple clinical treatment guidelines. In 2025, the BRIDGE-TNK study (bridging therapy) and ANGEL-TNK study (non-bridging therapy) of Mingfule were respectively published in *The New England Journal of Medicine* (NEJM) and *The Journal of the American Medical Association* (JAMA), providing high-level evidence-based support for its use in endovascular treatment of acute stroke combined with thrombolysis and in special patient populations. The TRACE-5 (Thrombolysis for Acute Ischaemic Stroke with Posterior Circulation Occlusion Beyond the Time Window) study has been accepted for publication in *The Lancet*, thereby further broadening the drug's applicable scenarios. In January 2026, the American Heart Association (AHA) and the American Stroke Association (ASA) jointly released the 2026 Guidelines for the Early Management of Patients with Acute Ischemic Stroke, formally elevating tenecteplase to a first-line intravenous thrombolytic agent on par with alteplase. As a representative Chinese-developed tenecteplase, Mingfule has received official recognition from internationally authoritative guideline. Moving forward, Mingfule will continue to advance high-quality clinical research, deepen academic collaboration with leading teams domestically and internationally, while accelerating market expansion. This will contribute to improving China's stroke care system and provide safer and more effective treatment options for more patients.

In 2025, the sales revenue of NBP (恩必普®) experienced a decline due to the price deduction resulting from the National Reimbursement Drug List (the "NRDL") negotiations adjustments. However, this price reduction significantly enhanced product accessibility, benefiting more patients and laying a solid foundation for further market expansion. Impacted by the inclusion of its injection formulation in the 10th Batch of the National Centralised Drug Procurement List, the sales revenue of Shuanling (舒安靈®) experienced a substantial decline. Meanwhile, benefiting from the continuous accumulation of high-quality evidence-based medical data and growing trust from clinicians and patients, Mingfule (明復樂®) achieved substantial year-on-year growth. Oushuan (歐舒安®) and Oulaining (歐來寧®) maintained a steady year-on-year growth trend.

Oncology

Major products include Duoenyi (多恩益®) (irinotecan hydrochloride liposome injection), Duoenda (多恩達®) (mitoxantrone hydrochloride liposome injection), Enshuxing (恩舒幸®) (enlonstobart injection), Keaili (克艾力®) (paclitaxel for injection (albumin-bound)), Jinyouli (津優力®) (PEG-rhG-CSF injection), Geruite (戈瑞特®) (lenvatinib mesilate capsules) and Jinlitai (津立泰®) (narlumosbart injection), etc.

- Duoenyi (多恩益®)

  Duoenyi is the first generic irinotecan hydrochloride liposome injection in China. It was approved in September 2023 for use in combination with 5-fluorouracil (5-FU) and leucovorin (LV) for the treatment of patients with metastatic pancreatic cancer that have progressed after receiving gemcitabine treatment. The 2024 CSCO Guidelines list the combination regimen as a Class I recommendation for the treatment of metastatic pancreatic cancer in second-line and beyond and a Class II recommendation for first-line treatment of pancreatic cancer. In December 2025, Duoenyi secured approval for an additional indication, enabling its combination therapy with oxaliplatin, 5-FU and LV for the first-line treatment of metastatic pancreatic cancer. This milestone marks it as the first irinotecan liposome injection within the country to gain authorisation for first-line treatment of pancreatic cancer.

- Duoenda (多恩達®)

  Duoenda, a Class 2 new chemical drug developed by the Group, which was included in the NRDL in 2023 for the treatment of relapsed/refractory peripheral T-cell lymphoma, is the world's first mitoxantrone liposomal formulation to obtain market approval and has secured patent authorisations across multiple countries. At present, Duoenda is advancing clinical exploration for multiple hematologic malignancy indications, including front-line treatment of peripheral T-cell lymphoma (PTCL), diffuse large B-cell lymphoma, and acute myeloid leukemia. Concurrently, the Company is accelerating its overseas market expansion to promote the international application of this product.

- Enshuxing (恩舒幸®)

  Enshuxing is a Class 1 new therapeutic biological drug, for which the Group owns the invention patent and complete independent property rights. The product obtained market approval in June 2024 and was included in the NRDL in the same year. Enshuxing is indicated for the treatment of recurrent or metastatic cervical cancer with PD-L1 expression positive (CPS≥1) in patients who have failed at least one line of platinum-containing chemotherapy. Clinical data have demonstrated that Enshuxing, in combination with first-line therapy for patients with recurrent or metastatic cervical cancer, achieved a median progression-free survival (mPFS) of 15.1 months, showing significantly superior efficacy compared to similar products. In second-line and later-line monotherapy for patients with recurrent or metastatic cervical cancer, the median overall survival (mOS) reached 21.3 months. Leveraging outstanding clinical data, this product has been recommended by authoritative guidelines from five major societies/organisations, including the National Health Commission, NCCN, Chinese Medical Association, CSCO, and CACA, establishing it as one of the core treatment options for cervical cancer in China.

  Since its launch, Enshuxing (恩舒幸®) has achieved rapid sales growth, with marketing efforts primarily focused on gynecological tumors (including cervical cancer and endometrial cancer). The Company is actively advancing its clinical research in solid tumors such as esophageal cancer, colorectal cancer, and NSCLC, while accelerating overseas licensing collaborations.

- Jinyouli (津優力®)

  Jinyouli is the first long-acting white blood cell booster drug developed in China. It is a Class 1 new therapeutic biological drug used to prevent and treat incidence of infection and pyrexia due to low neutrophil count in patients receiving chemotherapy. Through PEG modification technology, the product significantly improves administration convenience and patient compliance, and has been consistently recommended by authoritative guidelines domestically and internationally, winning multiple national-level awards.

In 2025, sales revenue of this therapeutic area recorded a significant year-on-year decline, primarily impacted by the inclusion of Duomeisu in the 10th Batch of the National Centralised Drug Procurement List, resulting in substantial price reductions. At the same time, the expansion of the centralised procurement policy in the Beijing-Tianjin-Hebei "3+N" Alliance led to a notable drop in the sales revenue of Jinyouli. Encouragingly, the sales of new products launched in recent years, such as Duoenyi and Enshuxing, have maintained steady growth, injecting new momentum into the business of this therapeutic area.

Anti-infectives

Major products include Anfulike (安復利克®) (amphotericin B cholesteryl sulfate complex for injection), Ansulike (安速利克®) (amphotericin B liposome for injection), Shuluoke (舒羅克®) (meropenem for injection), Weihong (維宏®) (azithromycin tablets/capsules/enteric tablets, azithromycin for injection), Nuomoling (諾莫靈®) (amoxicillin capsules), Oujian (歐健®) (cefixime capsules), Xianqu (先曲®) (ceftriaxone sodium for injection) and Xianwu (先伍®) (cefazolin sodium for injection), etc.

- Anfulike (安復利克®)

  Anfulike was approved for marketing through priority review in March 2021 and included in the NRDL in the same year for the treatment of patients with invasive fungal infections. This product has undergone modifications of lipid structure, which significantly reduce the incidence of nephrotoxicity and hypokalaemia, expand the applicable population, and help lower the medical cost. Recognised for its clinical value and market demand, Anfulike is jointly recommended by the Ministry of Industry and Information Technology and the National Health Commission of the People's Republic of China as a "clinically urgent, market-deficient" drug.

- Ansulike (安速利克®)

  Ansulike was approved for marketing in September 2024. As a polyene antibiotic, it is one of the most potent and broad-spectrum drugs for the prevention and treatment of invasive fungal diseases. Utilising a liposomal drug delivery system, it encapsulates amphotericin B in small unilamellar liposomes (less than 100nm) composed of hydrogenated soybean phosphatidylcholine, distearoyl phosphatidylglycerol, and cholesterol. Compared with other amphotericin B injections available on the market, Ansulike mainly exists in liposomal form in the blood, which significantly reduces the binding of free amphotericin B to renal tubular epithelial cells, thereby markedly decreasing drug-induced nephrotoxicity and infusion-related adverse reactions, and improving the therapeutic index and clinical tolerability.

In 2025, affected by weakened market demand, sales revenue of products such as Anfulike, Weihong, and Xianqu declined; meanwhile, the newly launched Ansulike achieved rapid sales growth, becoming a growth highlight; Shuluoke's sales revenue rose steadily; and the revenue of Nuomoling and Oujian remained relatively stable.

Cardiovascular

Major products include Xuanning (玄寧®) (maleate levamlodipine tablets/dispersible tablets), Encun (恩存®) (clopidogrel bisulfate tablets), Yishuning (意舒寧®) (nifedipine controlled-release tablets), Abikang (阿比康®) (aspirin enteric tablets), Mingfule (明復樂®) (recombinant human TNK tissue-type plasminogen activator for injection (rhTNK-tPA)), Daxinning (達新寧®) (dronedarone hydrochloride tablets) and Meiluolin (美洛林®) (ticagrelor tablets), etc.

- Xuanning (玄寧®)

  Xuanning is mainly used for the treatment of hypertension and angina (including chronic stable angina and vasospastic angina), and is a product in the NRDL and National Essential Medicines List (the "NEML"). The Group will continue to implement all-channel promotion strategy, strengthen penetration into lower-tier markets and patient transition in and outside hospitals. At the same time, the Group will enhance promotion in retail terminals and online platform, so as to fully unleash the brand advantage of the product and increase the accessibility and medication coverage.

- Encun (恩存®)

  Encun is a platelet aggregation inhibitor, which is mainly used to prevent atherosclerotic thrombotic events such as myocardial infarction and ischemic stroke. As the first domestically produced clopidogrel that has obtained the U.S. Food and Drug Administration (FDA) approval, Encun adopts similar process and production lines to those in the U.S. market, achieving simultaneous launch in China and the U.S.. It is also the preferred antithrombotic drug for acute coronary syndrome (ACS) and preferred antiplatelet drug for stroke prevention recommended by authoritative domestic and international guidelines and consensus. Leveraging stringent quality control and international certification, Encun rapidly iterated domestically and its sales volume ranked second only to the originator drug, and led other domestic competitors. Meanwhile, it successfully entered overseas market such as the U.S., becoming as a model for the internalization of domestic cardiovascular drugs. In the future, leveraging the international certification and market advantage of Encun, the Company will deepen the cooperation with overseas pharmaceutical companies as well as continue to consolidate and enhance its competitiveness in domestic and global markets.

- Mingfule (明復樂®)

  Mingfule is a domestic innovative third-generation specific thrombolytic drug independently developed by the Group based on the Chinese genome sequence, focusing on the thrombolysis treatment in patients with acute myocardial infarction within 6 hours of onset. With its outstanding efficacy and favorable safety, Mingfule is a preferred thrombolytic drug recommended by multiple authoritative guidelines, including the Guidelines for the Rational Medication for Thrombolytic Treatment of Acute ST-Segment Elevation Myocardial Infarction (2nd Edition), Chinese Expert Consensus on Microcirculation Protection Strategies for Emergency PCI in Patients with ST-Segment Elevation Myocardial Infarction, and Expert Consensus on Intracoronary Thrombolysis during Percutaneous Coronary Intervention for Acute ST-Segment Elevation Myocardial Infarction (2025). Considering its clinical advantages in cardiovascular emergency care, Mingfule has become an important treatment option in this area.

In 2025, affected by successful bidding in the centralised volume-based procurement program and its subsequent price linkage, the revenue of Abikang and Encun experienced a decline. At the same time, driven by market demand, Daxinning and Yishuning achieved revenue growth, while the revenue of Xuanning remained stable.

Respiratory System

Major products include Yiluoda (伊絡達®) (nintedanib capsules), Enyitan (恩益坦®) (omalizumab for injection), Qixin (琦昕®) (oseltamivir phosphate capsules), Nuoyian (諾一安®) (montelukast sodium tablets/chewable tablets), Qixiao (琦效®) (arbidol hydrochloride tablets) and Zhongnuo Like (中諾立克®) (ambroxol hydrochloride oral solution), etc.

- Yiluoda (伊絡達®)

  Yiluoda is the first generic nintedanib preparation in China, indicated for the treatment of systemic sclerosis-associated interstitial lung disease (SSc-ILD), progressive fibrosing interstitial lung diseases (PF-ILD) and idiopathic pulmonary fibrosis (IPF). Currently, all three of the aforementioned indications have been included in the NRDL, providing strong support for the robust growth of the product.

- Enyitan (恩益坦®)

  Enyitan is the first biosimilar drug of Xolair® developed as Class 3.3 therapeutic biological product in China. It is indicated for adults and adolescents (12 years of age and older) with chronic spontaneous urticaria who remain symptomatic despite H1 antihistamine treatment. In February 2025, Enyitan received approval for the new indication of moderate to severe persistent allergic asthma. *The Global Strategy for Asthma Management and Prevention* (GINA 2024) report states that for patients 6 years of age and older with severe allergic asthma, IgE therapy (such as omalizumab) is strongly recommended. The clinical equivalence of Enyitan with the original drug has been verified through rigorous head-to-head clinical studies. Following its market launch, it was rapidly incorporated into the recommended treatment pathways of the China Guidelines for the Diagnosis and Treatment of Allergic Asthma (2025 Edition) and the Guidelines for the Diagnosis and Treatment of Chronic Spontaneous Urticaria, and was included in the NRDL in 2025, significantly improving drug accessibility for patients with severe allergic diseases.

In 2025, Enyitan received marketing approval for the indication of allergic asthma, further enriching the Group's product portfolio in respiratory system therapeutic area and providing a new business growth driver in this field. Meanwhile, the sales revenue of products such as Zhongnuo Like, Nuoyian and Qixiao experienced varying degrees of decline due to market factors, the revenue of Qixin achieved year-on-year growth, and the revenue of Yiluoda remained relatively flat year-on-year.

Digestion and Metabolism

Major products include Oubeituo (歐倍妥®) (esomeprazole capsules), Debixin (得必欣®) (omeprazole capsules/tablets/injection), Shuanglexin (雙樂欣®) (metformin hydrochloride tablets/extended-release tablets), Xinweiping (欣維平®) (acarbose tablets) and Linmeixin (林美欣®) (glimepiride dispersible tablets), etc.

- Oubeituo (歐倍妥®)

  Oubeituo is the S-isomer of omeprazole, a core proton pump inhibitor with a more potent acid-suppressing effect and higher bioavailability. This product is consistently recommended by authoritative domestic and international guidelines as the drug of choice for the treatment of gastro-esophageal reflux disease and peptic ulcers. It can also be used in combination with antibiotics for Helicobacter pylori (Hp) eradication therapy. Having passed consistency evaluation and obtained the U.S. FDA certification, Oubeituo delivers originator-level quality while significantly reducing patient burden. It stands as a preferred medication for its potent efficacy, rapid onset of action, and suitability for both initial and long-term maintenance therapy.

- Debixin (得必欣®)

  Debixin, a classic proton pump inhibitor (PPI), is included in the NEML and classified as Category A under the medical insurance. Recommended by numerous domestic and international authoritative guidelines, it is indicated for the treatment of various gastric diseases caused by excessive gastric acid.

In 2025, Xinweiping achieved steady revenue growth. However, due to intense market competition, the unit price of Debixin declined following adjustments in sales strategy, which in turn dragged down the overall sales revenue in this segment.

Other Therapeutic Areas

Major products include Celecoxib Capsules, Qimaite (奇邁特®) (tramadol hydrochloride tablets), Ove (歐維®) (mecobalamin tablets), Roxadustat Capsules, Gubang (固邦®) (alendronate sodium tablets/enteric tablets) and Lidocaine Hydrochloride Injection, etc.

Bulk Product Business

In 2025, the bulk product business recorded sales of RMB3,657 million, representing a year-on-year increase of 2.1%.

Vitamin C

Sales revenue of Vitamin C products in 2025 amounted to RMB2,231 million, representing a year-on-year increase of 11.9%, primarily driven by rising demand in overseas markets, which led to an uplift in sales revenue. The Group will focus on product quality, customer service, and sustainable development while continuing to develop overseas sales networks to further increase its market share.

Antibiotics

Sales revenue of Antibiotics product in 2025 amounted to RMB1,426 million, representing a year-on-year decrease of 10.2%, primarily due to price reductions for penicillin and carbapenem products.

Functional Food and Other Businesses

In 2025, the functional food and other businesses recorded sales of RMB1,765 million, representing a year-on-year increase of 4.5%, mainly due to steady growth in sales revenue of Guoweikang during the year.

Research and Development

R&D expenses for the current period increased by 11.9% to RMB5,809 million as compared with the same period last year, accounting for approximately 28.2% of the revenue from the finished drug business. Currently, there are nearly 90 products in various stages of clinical trial, with 12 of them having submitted application for marketing approval and nearly 30 key products in the registration stage of clinical trials.

Regulatory Updates

From the beginning of 2025 to date, the regulatory progress of the Group in China is as follows: 5 new drugs have approved for marketing; 10 drugs have their marketing applications accepted; 5 Breakthrough Therapy Designations have been granted; 58 approvals for clinical trial have been obtained; and 9 generic drugs granted registration approvals. In addition, the Group received clinical trial approval for 18 innovative drugs and 1 Fast Track Designations in North America.

China

Marketing Approvals Obtained

Month	Drug Candidate	Indication
January 2025	Shanzeping (善澤平®) (prusogliptin tablets)	The improvement of glycemic control in adults with type 2 diabetes (including monotherapy and combination therapy when metformin hydrochloride alone does not provide adequate glycemic control)
February 2025	Enyitan (恩益坦®) (omalizumab for injection)	Treatment of moderate to severe persistent allergic asthma
June 2025	Meiluotai (美洛泰®) (Meloxicam Injection (III))	Moderate to severe pain in adults
December 2025	Duoenyi (多恩益®) (irinotecan hydrochloride liposome injection)	First-line treatment in combination with oxaliplatin, 5-fluorouracil (5-FU) and leucovorin (LV) for patients with metastatic pancreatic cancer
January 2026	Clevidipine injectable emulsion	Treatment of patients with hypertension when oral therapy is not feasible or is anticipated to be ineffective

Applications for Marketing Approval Accepted

Month	Drug Candidate	Indication
March 2025	Aprepitant injection	Prevention of postoperative nausea and vomiting
March 2025	Irinotecan liposome injection	First-line metastatic pancreatic cancer
March 2025	Paliperidone palmitate injection (1M)	Schizophrenia
June 2025	Pregabalin extended-release tablets	Diabetic peripheral neuropathic pain and postherpetic neuralgia
August 2025	Semaglutide injection	Glycemic control in adult patients with type 2 diabetes
September 2025	Anbentiamab injection (KN026)	For use in combination with chemotherapy for the treatment of patients with HER2-positive locally advanced, recurrent, or metastatic gastric or gastroesophageal junction cancer who have failed at least one prior systemic therapy (which must include trastuzumab in combination with chemotherapy)
October 2025	Efmedaglutide alfa injection (TG103)	For long-term weight management in overweight or obese adults in combination with diet control and increased physical activity
November 2025	Pertuzumab injection	HER2-positive breast cancer
December 2025	Semaglutide injection	Long-term weight management in overweight adults or obese patients, in conjunction with diet control and increased physical activity
January 2026	Prusogliptin and metformin extended-release tablets	An adjunct to diet and exercise for adult patients with type 2 diabetes mellitus (T2DM) who have inadequate glycemic control on metformin monotherapy or who are already receiving combination therapy with prusogliptin and metformin

Breakthrough Therapy Designations (BTD) Granted

Month	Drug Candidate	Indication
January 2025	SYS6010	Monotherapy for EGFR mutation-positive advanced non-small cell lung cancer (NSCLC) after failure of EGFR-TKIs and platinum-based chemotherapy
February 2025	Sirolimus for Injection (albumin-bound)	Malignant perivascular epithelioid cell tumor (PEComa)
March 2025	Anbenitamab repodatecan (JSKN003)	All-comer population of patients with platinum-resistant recurrent epithelial ovarian cancer, primary peritoneal carcinoma, or fallopian tube cancer
May 2025	JMT101	RAS, RAF, EGFR ECD and PIK3CA exon 20 wild-type advanced colorectal cancer after failure of standard treatment in second-line or beyond
October 2025	Anbenitamab repodatecan (JSKN003)	Monotherapy for the treatment of patients with HER2-positive advanced colorectal cancer who have previously failed treatment with oxaliplatin, fluorouracil, and irinotecan

Clinical Trial Approvals Obtained

First Indication

Month	Drug Candidate	Indication
January 2025	SYH2059 tablets (PDE4B inhibitor)	Interstitial lung disease
January 2025	SYS6045 for injection (ADC)	Advanced solid tumors
January 2025	SYS6041 for injection (FR α ADC)	Advanced solid tumors
February 2025	SYS6017 injection (VZV-mRNA vaccine)	Prevention of herpes zoster
March 2025	SYS6090 (Original: JMT108) injection (PD-1/IL15)	Advanced malignant tumors
March 2025	SYS6040 (DLL3 ADC)	Advanced solid tumors
March 2025	SYH2067 capsules (GLP-1 receptor agonists)	Weight management in overweight adults or obese patients, based on reduced-calorie diet and increased physical activity
April 2025	SYH2046 tablets (ENPP1 inhibitor)	Heart failure after acute myocardial infarction
April 2025	Prusogliptin and metformin extended-release tablets	Diabetes
April 2025	SYH2068 injection (siRNA)	Hyperlipoproteinemia (a)
May 2025	JMT106 injection	Advanced solid tumors
July 2025	High-concentration hydroxocobalamin hydrochloride injection	Methylmalonic academia (MMA)
August 2025	Dupilumab injection	Moderate-to-severe atopic dermatitis in adults
August 2025	SYS6036 injection	Multiple cancer types such as melanoma, NSCLC, esophageal cancer, and head and neck squamous cell carcinoma

Month	Drug Candidate	Indication
September 2025	SYH2066 tablets (RSV F protein inhibitor)	Respiratory infections caused by respiratory syncytial virus (RSV)
September 2025	Lecanemab injection	Mild cognitive impairment due to Alzheimer's disease and mild Alzheimer's disease dementia
September 2025	SYH2070 injection (ANGPTL3 siRNA)	Hypertriglyceridemia or mixed hyperlipidemia
October 2025	SYH2061 injection (C5 siRNA)	IgA nephropathy and other complement-mediated diseases
November 2025	SYH2056 tablets	Depression
November 2025	JMT206 injection	Weight management for individuals with obesity or overweight and at least one weight-related comorbidity
December 2025	Daratumumab injection	Treatment of adult patients with multiple myeloma
December 2025	SYH2085 tablets	Treatment of uncomplicated influenza A and B in adults and adolescents aged 12 years and older
December 2025	SYH2072 tablets	Uncontrolled hypertension and primary aldosteronism
December 2025	Prusogliptin, dapagliflozin and metformin extended-release tablets	Used as an adjunct to diet and exercise for adult patients with type 2 diabetes mellitus who have inadequate glycemic control with metformin hydrochloride monotherapy
December 2025	SYH2069 injection	Weight management for individuals with obesity or overweight and at least one weight-related comorbidity
December 2025	Nintedanib esilate powder for inhalation	Idiopathic pulmonary fibrosis
January 2026	SYS6055 injection	Relapsed/refractory aggressive B-cell lymphoma
February 2026	Ropivacaine long-acting injection	Treatment of post-operative analgesia for adults
February 2026	Bempedoic acid tablets	As an adjunct to diet, used in combination with other low-density lipoprotein cholesterol (LDL-C) lowering therapies, or alone if such therapies are not available, to reduce LDL-C levels in adults with primary hyperlipidemia, including heterozygous familial hypercholesterolemia (HeFH)
March 2026	Emicizumab injection (SYS6053)	Treatment of patients with Hemophilia A
March 2026	Indacaterol Acetate and Mometasone Furoate Powder for Inhalation	Used as a maintenance treatment of asthma in adults and adolescents 12 years and older

Additional Indication

Month	Drug Candidate	Indication
January 2025	Paclitaxel cationic liposome for injection	In combination with systemic therapy for the treatment of liver metastases of advanced solid tumors
January 2025	SYHX1901 tablets	In combination with other drugs for the treatment of solid tumors and hematological tumors
January 2025	SYHA1813 oral solution	In combination with enlonstobart injection (SG001) for consolidation after synchronous/sequential radiotherapy in limited stage small cell lung cancer
		In combination with sirolimus for injection (albumin-bound) for the treatment of advanced renal cell carcinoma in second-line and beyond
February 2025	SYS6002 for injection	In combination with JMT101 and SG001 for the treatment of advanced head and neck squamous cell carcinoma and other advanced solid tumors
March 2025	JMT101	In combination with mitoxantrone liposome versus investigator's choice of chemotherapy as the treatment of nasopharyngeal cancer in third-line and beyond
April 2025	Anbenitamab repodatecan (JSKN003)	First-line and perioperative combination treatment of HER2-positive gastric cancer
April 2025	Recombinant human TNK tissue-type plasminogen activator for injection	Acute ischemic stroke of longer time window (within 4.5–24 hours of onset)
April 2025	JMT601 injection	Primary membranous nephropathy
April 2025	CM326 injection	Adolescent asthma
April 2025	Sirolimus for injection (albumin-bound)	In combination with palbociclib and fluvestrant for the first-line treatment of HR-positive/HER2-negative advanced breast cancer
August 2025	Docetaxel for injection (albumin-bound)	In combination with trastuzumab for injection and pertuzumab injection for the first-line treatment of patients with HER2-positive recurrent metastatic breast cancer
August 2025	Sirolimus for injection (albumin-bound)	In combination with octreotide long-acting injection for the first-line treatment of metastatic gastroenteropancreatic neuroendocrine tumors (GEP-NETs)
August 2025	SYS6026 injection	HPV 16/18 type related advanced solid tumors
September 2025	Anbenitamab injection (KN026)	In combination with chemotherapy containing fluorouracil and platinum drugs with or without enlonstobart for the first-line treatment of locally advanced unresectable or metastatic HER2-positive gastric cancer or gastroesophageal junction cancer

Month	Drug Candidate	Indication
September 2025	Docetaxel for injection (albumin-bound)	In combination with oxaliplatin, 5-fluorouracil and calcium folinate for the treatment of advanced gastric adenocarcinoma or gastroesophageal junction adenocarcinoma
September 2025	Paclitaxel cationic liposome for injection	In combination with systemic treatment for the treatment of advanced hepatocellular carcinoma
September 2025	ALMB-0166	Parkinson's disease, acute ischemic stroke, acute spinal cord injury, and other neurological disorders
October 2025	Anbenitamab repodatecan (JSKN003)	Monotherapy or in combination with docetaxel (albumin-bound) or in combination with others for neoadjuvant therapy for breast cancer
October 2025	Sirolimus for injection (albumin-bound)	In combination with SYS6043, SYS6010, DP303c, or SYS6002 for the treatment of advanced solid tumors
October 2025	SYS6010 for injection	Neoadjuvant therapy for resectable stage II-IIIB EGFR-sensitive mutated NSCLC in combination with osimertinib
November 2025	SYS6043 for injection	In combination with PD-1 or PD-L1 monoclonal antibody, with or without chemotherapy, for the treatment of advanced small cell lung cancer and other advanced solid tumors
December 2025	Anbenitamab injection (KN026)	Adjuvant therapy for early stage or locally advanced HER2-positive breast cancer in combination with docetaxel for injection (albumin-bound) and chemotherapy
December 2025	Enlonstobart injection	In combination with SYS6026 injection for the treatment of HPV 16/18 type related advanced solid tumors
January 2026	SYS6090 injection	For the treatment of locally advanced (phase IIIB/IIIC), metastatic (phase IV) NSCLC and extensive-phase SCLC that are not amenable to curative treatment (not suitable for complete surgical resection with curative intent or chemoradiotherapy)
January 2026	SYS6010 for injection	In combination with enlonstobart injection for adult patients with phase II-III NSCLC who have received neoadjuvant therapy and did not achieve major pathological response (non-MPR) after surgery
February 2026	SYS6023 for injection	In combination with other drugs for the treatment of unresectable locally advanced or metastatic breast cancer

Registration Approvals Obtained

Since the beginning of 2025, a total of 9 generic drugs have obtained drug registration approvals, namely regorafenib tablets, ilaprazole enteric-coated tablets, oseltamivir phosphate for oral suspension, peramivir injection (300mg/60ml bag), vonoprazan fumarate tablets (20mg and 10mg), cobamamide capsules, mesalazine enteric-coated tablets, pentoxifylline extended-release tablets and tacrolimus extended-release capsules.

North America

Clinical Trial Approvals Granted by the U.S. FDA

Month	Drug Candidate	Indication
January 2025	SYS6043 (B7-H3 ADC)	Advanced/metastatic solid tumors
February 2025	SYH2059 tablets (PDE4B inhibitor)	Interstitial lung disease
March 2025	SYH2051 tablets (selective ATM inhibitor)	Advanced solid tumors
April 2025	JMT203 (GFRAL)	Cancer cachexia
April 2025	JMT108 (PD–1/IL15)	Advanced malignant tumors
April 2025	SYS6041 (FR α ADC)	Advanced solid tumors
April 2025	JMT202 (FGFR1c/βKlotho)	Hypertriglyceridemia (HTG)
May 2025	SYH2046 tablets	Heart failure after acute myocardial infarction
June 2025	SYS6040 (DLL3 ADC)	Advanced solid tumors
September 2025	SYH2070 injection (ANGPTL3 siRNA)	Hypertriglyceridemia or mixed hyperlipidemia
November 2025	SYH2061 injection	Treatment of IgA nephropathy and other complement-mediated diseases
December 2025	SYH2056 tablets	Depression
December 2025	SYH2069 injection	Weight management for individuals with obesity or overweight and at least one weight-related comorbidity
December 2025	JMT206	Weight management for individuals with obesity or overweight and at least one weight-related comorbidity
January 2026	SYH2072 tablets	Uncontrolled hypertension and resistant hypertension
February 2026	SYH2082 (GLP-1/GIP)	Long-term weight management in overweight or obese adults in combination with diet control and increased physical activity
February 2026	Paclitaxel albumin nanoparticles (fast-dissolving)	Treatment of metastatic breast cancer after failure of combination chemotherapy or breast cancer relapse within 6 months of adjuvant chemotherapy
March 2026	Highly selective PDE4B inhibitor (SYH2059 powder for inhalation)	Tulmonary fibrosis (PF), encompassing idiopathic pulmonary fibrosis (IPF) and progressive pulmonary fibrosis (PPF)

Fast Track Designation Granted by the U.S. FDA

Month	Drug Candidate	Indication
May 2025	CPO301 (EGFR-ADC, also known as SYS6010 in China)	Adult patients with advanced or metastatic non-squamous non-small cell lung cancer (Nsq-NSCLC) without EGFR mutations or other actional genomic alterations (AGA), with prior disease progression on platinum-based chemotherapy and an anti-PD-(L)1 antibody

Major Clinical Trial Progress

Initiation/Enrollment of Pivotal Clinical Trial

Anbenitamab repodatecan (JSKN003)

- In January 2025, the first subject was enrolled in the phase III clinical trial conducted in China comparing investigator's choice of chemotherapy for the second-line and third-line treatment of HER2 low expressing recurrent/metastatic breast cancer.

- In February 2025, the first subject was enrolled in the phase III clinical trial conducted in China comparing TDM1 for the treatment of HER2-positive advanced breast cancer in second-line and beyond.

- In February 2026, the first subject was enrolled in the phase III clinical trial conducted in China evaluating Anbenitamab repodatecan for the treatment of third-line HER2-positive advanced colorectal cancer.

Ammuxetine hydrochloride enteric-coated tablets

- In February 2025, the first subject was enrolled in the phase III clinical trial initiated in China comparing positive control therapy for the treatment of depression.

SYS6010 for injection

- In April 2025, the first subject was enrolled in the phase III clinical trial conducted in China for the second-line treatment of EGFR mutant NSCLC.

Sirolimus for injection (albumin-bound)

- In May 2025, the first subject was enrolled in the phase III clinical trial conducted in China for use in combination with fulvestrant for the treatment of HR-positive/HER2-negative breast cancer in second-line and beyond.

- In June 2025, the first subject was enrolled in the phase Ib/III clinical trial conducted in China for use in combination with palbociclib and fluvestrant for the first-line treatment of HR-positive/HER2-negative breast cancer.

- In September 2025, the first subject was enrolled in the phase II/III clinical trial conducted in China of Sirolimus for injection plus octreotide versus everolimus for the treatment of metastatic gastroenteropancreatic neuroendocrine tumors (GEP-NETs).

Paclitaxel cationic liposome for injection

- In June 2025, the first subject was enrolled in the phase Ib/III clinical trial conducted in China of combination systemic therapy for first-line treatment of colorectal cancer liver metastases.

SYHA1813 oral solution

- In June 2025, the first subject was enrolled in the phase II/III clinical trial conducted in China in combination with SG001 (Enshuxing (恩舒幸®)) for consolidation after radiotherapy in small cell lung cancer.

SYHX1901 tablets

- In June 2025, the first subject was enrolled in the phase III clinical trial conducted in China for the treatment of moderate-to-severe plaque psoriasis.

JMT101 (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)

- In June 2025, the first subject was enrolled in the Part 2 of Phase III clinical trial conducted in China of JMT101 injection in combination with osimertinib for the treatment of first-line EGFR classical mutated NSCLC.

- In October 2025, the first subject was enrolled in the Phase III clinical trial conducted in China of JMT101 injection in combination with irinotecan compared with regorafenib for the treatment of wild-type colorectal cancer in third-line and beyond.

Prusogliptin tablets

- In July 2025, the first subject was enrolled in the phase III clinical trial conducted in China in combination with dapagliflozin and metformin for the treatment of type 2 diabetes.

Hydroxocobalamin hydrochloride injection

- In October 2025, the first subject was enrolled in the Phase III clinical trial conducted in China of hydroxocobalamin hydrochloride injection for the treatment of methylmalonic academia (MMA).

Recombinant human TNK tissue-type plasminogen activator for injection

- In November 2025, the first subject was enrolled in the Phase III clinical trial conducted in China of recombinant human TNK tissue-type plasminogen activator for injection for the treatment of acute ischemic stroke (within 4.5–24 hours of onset).

SYS6002 for injection (anti-Nectin-4 monoclonal antibody-drug conjugate for injection)

- In December 2025, the first subject was enrolled in the Phase III clinical trial conducted in China of SYS6002 for injection for the treatment of cervical cancer in second-line and beyond.

Octreotide long-acting injection

- In January 2026, the first subject was enrolled in the Phase III clinical trial conducted in China of Octreotide long-acting injection for the treatment of adjuvant treatment after pancreatic neuroendocrine tumor surgery.

CM326 injection

- In January 2026, the first site was initiated in the Phase III clinical trial conducted in China of CM326 injection for the treatment of moderate-to-severe asthma.

- In February 2026, the first site was initiated in the phase III clinical trial conducted in China of CM326 injection for the treatment of chronic rhinosinusitis with nasal polyps (CRSwNP).

Anbentiamab injection (KN026)

- In February 2026, the first site was initiated in the phase III clinical trial conducted in China of anbentiamab injection in combination with docetaxel (albumin-bound) and chemotherapy for the neoadjuvant treatment of HER2-positive breast cancer.

SYH2053 injection

- In February 2026, the first site was initiated in the phase III clinical trial conducted in China of SYH2053 injection in combination with statins for the treatment of primary hypercholesterolemia and mixed dyslipidemia.

- In February 2026, the first site was initiated in the phase III clinical trial conducted in China of SYH2053 injection for the treatment of primary hypercholesterolemia and mixed dyslipidemia.

Last Subject Enrollment/Database Lock or Statistical Analysis Results of Pivotal Clinical Trials

Anbentiamab injection (KN026)

- In April 2025, the last subject was enrolled in the phase III clinical trial conducted in China of anbentiamab injection in combination with docetaxel (albumin-bound) compared with trastuzumab and pertuzumab in combination with docetaxel injection for the first-line treatment of HER2-positive breast cancer.

- In July 2025, the clinical study summary report was completed for the phase II/III clinical trial conducted in China of anbentiamab injection in combination with paclitaxel or irinotecan for the treatment of HER2-positive gastric cancer in second line and beyond (including gastroesophageal junction adenocarcinoma).

- In August 2025, the last subject was enrolled in the phase III clinical trial conducted in China of anbentiamab injection in combination with docetaxel (albumin-bound) compared with trastuzumab and pertuzumab in combination with docetaxel injection for the neoadjuvant treatment of HER2-positive breast cancer.

Daunorubicin cytarabine liposome for injection

- In April 2025, the database lock was completed for bioequivalence clinical trials conducted in China for the treatment of AML in the elderly patients who have not been previously treated.

Semaglutide injection

- In June 2025, the clinical study summary report was completed for the phase III clinical trial of semaglutide injection conducted in China for the treatment of type 2 diabetes.

- In November 2025, the clinical trial summary report was completed for the phase III clinical trial of semaglutide injection conducted in China for the treatment of overweight or obesity in adults.

Pertuzumab injection

- In August 2025, the clinical trial summary report was completed for the phase III clinical trial conducted in China, which evaluated the trastuzumab in combination with docetaxel for the treatment of early or locally advanced HER2-positive breast cancer.

SG001 (recombinant fully human anti-PD-1 monoclonal antibody for injection)

- In August 2025, the last subject was enrolled in the phase III clinical trial conducted in China of SG001 injection in combination with chemotherapy, with or without bevacizumab, for the first-line treatment of recurrent or metastatic cervical cancer.

Valsartan levoamlodipine maleate tablets

- In August 2025, the last subject was enrolled in the phase III clinical trial conducted in China for the treatment of primary mild and moderate hypertension that cannot be effectively controlled by monotherapy.

JMT103 injection (recombinant fully human anti-RANKL monoclonal antibody for injection)

- In August 2025, the last subject was enrolled in the phase III clinical trial conducted in China of JMT103 injection for the treatment of giant-cell tumor of bone.

- In November 2025, the last subject was enrolled in the phase III clinical study conducted in China of JMT103 injection for the treatment of bone metastases from malignant solid tumors.

Anbenitamab repodatecan (JSKN003)

- In September 2025, the last subject was enrolled in the phase III clinical trial conducted in China comparing TDM1 for the treatment of HER2-positive advanced breast cancer in second-line and beyond.

Mitoxantrone hydrochloride liposome injection

- In September 2025, the clinical trial summary report was completed for the phase III clinical trial conducted in China for the treatment of relapsed/refractory peripheral T-cell lymphoma in second-line and beyond.

DP303c injection (recombinant humanised anti-HER2 monoclonal antibody-MMAE conjugate for injection)

- In November 2025, the clinical trial summary report was completed for the phase III clinical study conducted in China of DP303c injection for the treatment of second-line and above HER2-positive advanced breast cancer.

Secukinumab injection

- In January 2026, the clinical trial summary report was completed for the phase III clinical study conducted in China of secukinumab injection for the treatment of moderate-to-severe plaque psoriasis.

Dextromethorphan bupropion extended-release tablets

- In February 2026, the database lock was completed for the phase III clinical trial conducted in China of dextromethorphan bupropion extended-release tablets for the treatment of adult depression.

TG103 injection (GLP-1 receptor agonists)

- In February 2026, the database lock was completed for the phase III clinical study conducted in China of TG103 injection for the treatment of type 2 diabetes.

- In February 2026, the database lock was completed for the phase III clinical study conducted in China in combination with TG103 injection and metformin for the treatment of type 2 diabetes.

SYS6010 for injection

- In February 2026, the last subject was enrolled in the phase III clinical study conducted in China of SYS6010 for injection comparing platinum-based chemotherapy for the treatment of second-line EGFR-mutated NSCLC.

Publication of Major Results

Product	Study Title	Journals/Meetings
HA121-28 tablets (small molecule tyrosine kinase inhibitor)	Phase I clinical trial of HA121-28 for the treatment of patients with advanced solid tumors and Phase II clinical study of HA121-28 for the treatment of patients with RET fusion-positive NSCLC	*Signal Transduct Target Ther* (IF40.8)
Duoenda (多恩達®) (mitoxantrone liposome)	Phase Ib clinical trial of mitoxantrone liposomal drug for the treatment of head and neck squamous cell carcinoma	*Oral Oncology* (IF4.0)
	Peripheral T-cell lymphoma (PTCL) – Phase III trial	American Society of Hematology (ASH) Annual Meeting – oral presentation
SWY321 (EGFR/c-METADC)	Non-clinical study	2025 American Association for Cancer Research (AACR) Annual Meeting – poster presentation
SYH2039 (MAT2A small molecule inhibitor)	Non-clinical study	2025 American Association for Cancer Research (AACR) Annual Meeting – oral presentation
SYS6041 (FRαADC)	Non-clinical study	2025 American Association for Cancer Research (AACR) Annual Meeting – poster presentation
SYS6042 (TROP2ADC)	Non-clinical study	2025 American Association for Cancer Research (AACR) Annual Meeting – poster presentation
SYS6051 (TF-ADC)	Non-clinical study	2025 American Association for Cancer Research (AACR) Annual Meeting – poster presentation
JMT206	Non-clinical study	2025 American ObesityWeek – oral presentation
SYH2082	Non-clinical study	2025 American ObesityWeek – poster presentation
CSPC-ALK7	Non-clinical study	2025 American ObesityWeek – poster presentation
JMT601 (CD20/CD47 bispecific fusion protein)	Phase I trial of JMT601 for the treatment of CD20-positive B-cell non-Hodgkin's lymphoma	2025 American Association for Cancer Research (AACR) Annual Meeting – poster presentation

Product	Study Title	Journals/Meetings
Omalizumab for injection	Phase III equivalence clinical study of omalizumab for injection in combination with Xolair® for the treatment of patients with chronic spontaneous urticaria	*Chinese Medical Journal* (IF7.1)
DBPR108 tablets (Prusogliptin Tablets)	PK/PD study of DBPR108 tablets in patients with type 2 diabetes	Clinical Pharmacokinetics (IF4.6)
JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody for injection)	Phase II clinical trial of JMT101 in combination with irinotecan and SG001 versus regorafenib for the treatment of patients with ≥3L colorectal cancer	2025 American Society of Clinical Oncology (ASCO) Annual Meeting — oral presentation
		2025 Chinese Society of Clinical Oncology (CSCO) — poster presentation
	JMT101+ Docetaxel (albumin-bound) — Phase II study of lung cancer	European Society for Medical Oncology Asia (ESMO Asia) — oral presentation
	JMT101-003	2026 European Lung Cancer Congress (ELCC) — mini oral presentation
Sirolimus for injection (albumin-bound)	Phase I clinical trial of Sirolimus for injection (albumin-bound) for the treatment of PEComa	European Society for Medical Oncology (ESMO Sarcoma) Congress — oral presentation
	Breast cancer-Phase II trial	European Society for Medical Oncology (ESMO) Congress — poster presentation
		San Antonio Breast Cancer Symposium (SABCS) — poster spotlight
ALMB–0166	Phase I/II clinical trial of ALMB–0166 in patients with acute spinal cord injury	American Academy of Neurology (AAN) Annual Meeting — oral presentation and poster presentation
ALMB–0168	Phase I clinical trial of ALMB–0168 in patients with osteosarcoma	2025 American Society of Clinical Oncology (ASCO) Annual Meeting — oral presentation
	Case report	Antibody Therapeutic (IF4.5) — acceptance
SYS6010 (humanised anti-human EGFR monoclonal antibody-JS-1 conjugate injection)	Phase I clinical trial of SYS6010 for the treatment of advanced solid tumors	2025 American Association for Cancer Research (AACR) Annual Meeting — oral presentation
	Investigator initiated trial (IIT) of SYS6010 in combination with SYH2051 for the treatment of patients with gastrointestinal cancers symposium	2025 American Society of Clinical Oncology (ASCO) Annual Meeting — poster presentation
	Phase I clinical trial of SYS6010 for the treatment of advanced solid tumors	2026 American Association for Cancer Research (AACR) Annual Meeting — Plenary Session oral presentation
Paclitaxel cationic liposome	Investigator initiated trial (IIT) of paclitaxel cationic liposome for the treatment of patients with advanced solid tumors (arterial infusion chemotherapy)	2025 American Society of Clinical Oncology (ASCO) Annual Meeting — online presentation
Ustekinumab injection	Phase III equivalence clinical trial of ustekinumab injection in combination with Stelara (喜達諾®) for the treatment of moderate-to-severe plaque psoriasis	*Journal of American Academy of Dermatology* (JAAD, IF12.8)
		American Academy of Dermatology (AAD) Annual Meeting — poster presentation

Product	Study Title	Journals/Meetings
Enlonstobart injection (SG001)	Phase III clinical trial of Enlonstobart injection (SG001) in combination with chemotherapy for the treatment of cervical cancer	Society of Gynecologic Oncology (SGO) — poster presentation
	SG001 — Phase Ib trial for advanced solid tumor	Drug Design Development and Therapy (IF5.1) — acceptance
arlumosbart injection (JMT103)	Phase Ib clinical trial of Narlumosbart injection (JMT103) for the treatment of bone metastases	International journal of cancer (IF5.7)
	Phase II trial for postmenopausal osteoporosis	eClinicalMedicine (IF9.6)
	Real-world study on giant cell tumor of bone	Cancer Medicine (IF4.0) — accepted
Docetaxel for injection (albumin-bound) (HB1801)	Phase II trial of Docetaxel for injection (HB1801) comparing to Taxotere for the treatment of gastric cancer	American Society of Clinical Oncology Annual Meeting — Gastrointestinal Diseases Session (ASCO GI) — oral presentation
Anbenitamab injection (KN026)	Anbenitamab injection in combination with Paclitaxel or Irinotecan — Phase III Trial for ≥2L HER2-Positive Gastric Cancer	European Society for Medical Oncology Congress (ESMO) —Late Breaking Abstract — proffered oral presentation
	Anbenitamab injection — Phase II trial for Gastric Cancer	*Cancer Comminications* (IF24.9)
	Anbenitamab injection — Phase III trial for Gastric Cancer	*Annals of Oncology* (IF65.4) — accepted
Simmitinib hydrochloride tablets	Phase I trial for advanced solid tumor	European Society For Medical Oncology Congress (ESMO) — poster presentation
	Phase II trial of Simmitinib in combination with Irinotecan liposome for the treatment of advanced esophageal squamous carcinoma	European Society For Medical Oncology Congress (ESMO) — poster presentation
JMT203	Phase I trial for Cachexia	European Society For Medical Oncology Congress (ESMO) — poster presentation
Ammuxetine	Phase II trial for Depression	Journal *JAMA Network Open* (IF10.5)
SYHA1813 oral solution	Phase I trial for Glioma	*Annals of Clinical and Translational Neurology* (IF5.1)
SYHX1901	Phase II trial for Plaque Psoriasis	*J Am Acad Dermatol* (IF12.8)
SYHX2011 (Albumin-Bound Paclitaxel II)	Phase III trial for Advanced Breast Cancer	San Antonio Breast Cancer Symposium (SABCS) — poster presentation
DP303c	Phase III trial for Advanced Breast Cancer versus T-DM1	San Antonio Breast Cancer Symposium (SABCS) — Late breaking — Rapid Fire Presentation
Irinotecan Liposome Injection	Irinotecan Liposome — Phase II trial for IL Pancreatic Cancer	*Nature Communications* (IF14.7) — accepted

Product	Study Title	Journals/Meetings
SYS6043	SYS6043 — Phase I trial for Advanced Solid Tumors	2026 Society of Gynecologic Oncology (SGO) Annual Meeting on Women's Cancer — Scientific Plenary oral presentation
		2026 10th International Conference on Innovative Approaches in Head and Neck Oncology (ICHNO) — oral presentation (LBA Proffered Paper)

Clinical Pipeline Overview

Registration and Pivotal Trial of Key Products

Applications for Marketing Approval Submitted in China

Drug candidate	Type	Target	Indication
Batoclimab	Biological drug (monoclonal antibody)	FcRn	Myasthenia gravis
Ustekinumab injection	Biological drug (monoclonal antibody)	IL-12/IL-23p40	Psoriasis
Paclitaxel for injection (albumin-bound) II (SYHX2011)	Nanodrug	Microtubule inhibitor	Breast cancer
Aprepitant injection	Chemical drug	NK1 receptor antagonist	Prevention of postoperative nausea and vomiting
Paliperidone palmitate injection (1M)	Chemical drug	D2 and 5-HT2A receptor antagonist	Schizophrenia
Pregabalin extended-release tablets	Chemical drug	GABA receptor modulator	Diabetic peripheral neuropathic pain and post-herpetic neuralgia
Semaglutide injection	Chemical drug	GLP–1 receptor agonist	Glycemic control in adults with type 2 diabetes mellitus
Anbenitamab injection (KN026)	Biological drug	HER2 bispecific antibody	For use in combination with chemotherapy for the treatment of patients with HER2-positive locally advanced, recurrent, or metastatic gastric or gastroesophageal junction cancer who have failed at least one prior systemic therapy (which must include trastuzumab in combination with chemotherapy)

Drug candidate	Type	Target	Indication
Efmedaglutide Alfa injection (TG103)	Biological drug	GLP–1 receptor agonist AGONIST	For long-term weight management in adults in combination with diet control and increased physical activity
Pertuzumab injection	Biological drug	HER2 monoclonal antibody	HER2-positive breast cancer
Semaglutide injection	Chemical drug	GLP–1 receptor agonist	The long-term weight management in overweight or obese adults in combination with diet control and increased physical activity
Prusogliptin and Metformin extended-release tablets	Chemical drug	DPP4i/MET	Type 2 diabetes mellitus

Applications for Marketing Approval Submitted in the U.S.

Drug candidate	Type	Target	Indication
Amphotericin B liposome for injection	Nanodrug	Anti-infective, nonspecific drug	Invasive fungal infection
Irinotecan hydrochloride liposome injection	Nanodrug	Topoisomerase inhibitor	Pancreatic cancer

Pivotal Trials in China

Drug candidate	Type	Target	Indication(s)
DP303c injection (recombinant humanised anti-HER2 monoclonal antibody-MMAE conjugate for injection)	Biological drug	HER2 receptor (ADC)	Breast cancer
JMT101 injection (recombinant humanised anti-epidermal growth factor receptor monoclonal antibody injection)	Biological drug (monoclonal antibody)	EGFR	EGFR exon 20 insertion NSCLC/EGFR mutant NSCLC/colorectal cancer

Drug candidate	Type	Target	Indication(s)
Anbenitamab injection (KN026)	Biological drug (bispecific antibody)	HER2 bispecific antibody	First-line HER2-positive gastric cancer/First-line HER2-positive recurrent or metastatic breast cancer/ Neoadjuvant therapy for HER2-positive breast cancer/Adjuvant therapy for HER2-positive breast cancer
Efmedaglutide alfa injection (TG103)	Biological drug (monoclonal antibody)	GLP-1 receptor agonist	Diabetes
Daunorubicin cytarabine liposome for injection	Nanodrug	RNA/DNA polymerase inhibitor	Adult previously untreated high-risk (secondary) AML
Docetaxel for injection (albumin-bound)	Nanodrug	Microtubule inhibitor	Gastric cancer/Pancreatic cancer
Mitoxantrone hydrochloride liposome injection	Nanodrug	Cell-cycle non-specific drug	Nasopharyngeal cancer
Recombinant fully human anti-RANKL monoclonal antibody for injection (JMT103; Narlumosbart injection)	Biological drug (monoclonal antibody)	RANKL	Bone metastasis of malignant solid tumors/Giant-cell tumor of bone
Pilocarpine hydrochloride eye drops	Chemical drug	Cholinergic muscarinic agonist	Presbyopia
Secukinumab injection	Biological drug (monoclonal antibody)	IL-17 monoclonal antibody	Psoriasis
SYHX1901 tablets	Chemical drug	JAK&SYK dual-target inhibitor	Moderate-to-severe plaque psoriasis
Sirolimus for injection (albumin-bound)	Nanodrug	mTOR inhibitor	Perivascular epithelioid cell tumor (PEComa)/First-line and second-line treatment of breast cancer/metastatic gastroenteropancreatic neuroendocrine tumors (GEP-NETs)
Irinotecan hydrochloride liposome injection	Nanodrug	Topoisomerase inhibitor	Adjuvant therapy for pancreatic cancer
Simmitinib hydrochloride tablets	Chemical drug	FGFR1-3&KDR&CSF1R multi-targeted small molecule kinase inhibitor	Esophageal squamous cell carcinoma
SYS6010 for injection	Biological drug	EGFR (ADC)	Treatment-naive and TKI-resistant EGFR mutant NSCLC/esophageal squamous cell carcinoma

Drug candidate	Type	Target	Indication(s)
Valsartan levoamlodipine maleate tablets	Chemical drug	Angiotensin II receptor blocker	Hypertension
Ammuxetine hydrochloride enteric-coated tablets	Chemical drug	5-Hydroxytryptamine and norepinephrine reuptake inhibitors	Depression
Dextromethorphan bupropion extended-release tablets	Chemical drug	NMDA receptor antagonist	Depression
Anbenitamab repodatecan (JSKN003)	Biological drug	HER2 bispecific anti-ADC	Treatment of patients with HER2-positive breast cancer in second-line and beyond/HER2 low expressing breast cancer/platinum resistant recurrent epithelial ovarian cancer, primary peritoneal carcinoma, or fallopian tube cancer in second-line and beyond/Third-line HER2-positive advanced colorectal cancer
SYHA1813 oral solution	Chemical drug	VEGFR/CSF1R	Consolidation therapy after chemoradiotherapy for small cell lung cancer
Prusogliptin tablets	Chemical drug	DPP4 inhibitor	Diabetes (combination treatment)
Recombinant fully human anti-PD-1 monoclonal antibody (SG001; Enshuxing (恩舒幸®))	Biological drug	PD–1	First-line treatment of recurrent or metastatic cervical cancer
Recombinant human TNK tissue-type plasminogen activator for injection (Mingfule (明復樂®))	Biological drug	Recombinant human tissue-type plasminogen activator	Ischemic stroke (within 4.5-24 hours of onset)
Paclitaxel cationic liposome for injection	Chemical drug	Microtubule depolymerization inhibitor	Colorectal liver metastasis
High-concentration hydroxocobalamin hydrochloride injection	Chemical drug	cbl (VitB12)	Methylmalonic academia (MMA)
SYS6002 for injection (Anti-Nectin-4 monoclonal antibody — drug conjugate for injection)	Biological drug	Nectin-4 ADC	End-line cervical cancer

Drug candidate	Type	Target	Indication(s)
CM326 recombinant humanised monoclonal antibody injection	Biological drug	Anti-TSLP monoclonal antibody	Moderate to severe asthma/chronic sinusitis with nasal polyps
Octreotide Long-Acting Injection	Chemical drug	Artificially synthesized somatostatin	Postoperative adjuvant therapy for pancreatic neuroendocrine tumors
SYH2053 Injection	Chemical drug	PCSK9 inhibitor (siRNA)	Primary hypercholesterolemia and mixed dyslipidemia

Awards and Patents

In March 2025, the Group's project on "Key Technology and Industrial Application of Novel Excipients for High-end Preparations" was awarded the Second Prize of Scientific and Technological Innovation Achievements of the China Industry-University-Research Institute Collaboration Association.

In July 2025, the Group's project on "Key Technology Research and Industrialisation of Dronedarone Hydrochloride" was awarded the Second Prize of Science and Technology Award of the China Pharmaceutical Association.

In December 2025, the Group's project on "Key Technology Development and High Value Application of 1,3,7-Trimethylxanthine" was awarded the Third Prize of the Hebei Provincial Science and Technology Progress Award.

From January 2025 to February 2026, 60 international patent applications under the Patent Cooperation Treaty (the "PCT") and 581 patent applications (290 domestic and 291 overseas) were filed by the Group, and 87 patents (33 domestic and 54 overseas) were granted to the Group.

As at 28 February 2026, cumulatively 268 international patent applications under the PCT and 2,666 patent applications (1,645 domestic and 1,021 overseas) were filed by the Group, and 1,065 patents (677 domestic and 388 overseas) were granted to the Group.

Business Development

The Group has continuously strengthened its internal innovation capabilities, with R&D investment increasing year by year. At present, we have built a robust R&D pipeline and accumulated numerous high-quality innovative assets. In recent years, through out-licensing innovative products and forming strategic collaborations with multinational pharmaceutical companies, we have actively advanced the internationalisation of our R&D pipeline and accelerated the transformation of our innovation achievements into global market.

Out-Licensing

SYS6005 (ADC)

In February 2025, the Group entered into an exclusive license agreement with Radiance Biopharma, Inc. to out-license the development and commercialisation rights of SYS6005 in the U.S., the European Union, the United Kingdom, Switzerland, Norway, Iceland, Liechtenstein, Albania, Montenegro, North Macedonia, Serbia, Australia, and Canada. The Group will receive upfront payments of US$15 million and is also entitled to receive potential development milestone payments of up to US$150 million and potential sales milestone payments of up to US$1,075 million, plus tiered royalties.

Irinotecan Liposome Injection

In May 2025, the Group entered into an exclusive license agreement with Cipla USA, Inc. to out-license the commercialisation right of irinotecan liposome injection in the U.S. The Group will receive upfront payments of US$15 million and is also entitled to receive potential first commercial sales and regulatory milestone payments of up to US$25 million and potential additional commercial sales milestone payments of up to US$1,025 million, plus tiered royalties.

Strategic Research Collaboration on AI-driven Drug Discovery Platform

In June 2025, the Group entered into a strategic research collaboration agreement with AstraZeneca for the discovery and development of novel oral small molecule candidates utilising the Group's AI-driven, dual-engine efficient drug discovery platform. The Group agreed to discover pre-clinical candidates ("PCC") for multiple targets as selected by AstraZeneca with potential to treat diseases across indications, including a pre-clinical small molecule oral therapy for immunological diseases. For each PCC program, AstraZeneca shall have rights to exercise the option for an exclusive license for development, manufacturing and commercialisation worldwide. The Group will receive an upfront payment of US$110 million, and is also entitled to receive up to US$1,620 million in potential development milestone payments and up to US$3,600 million in potential sales milestone payments, plus tiered royalties.

SYH2086

In July 2025, the Group entered into an exclusive license agreement with Madrigal Pharmaceuticals, Inc. to out-license the exclusive rights to develop, manufacture and commercialise SYH2086 worldwide, while retaining the Group's right to develop and commercialise other orally administered small-molecule GLP-1 receptor agonist products in China. The Group is entitled to receive a total consideration of up to US$2,075 million, including an upfront payment of US$120 million plus potential development, regulatory and commercial milestone payments of up to US$1,955 million, and up to double-digit royalties.

Sustained-Release Drug Delivery Technology Platform and AI-driven Peptide Drug Discovery Platform

In January 2026, the Group entered into a strategic collaboration and license agreement with AstraZeneca for the development of innovative long-acting peptide medicines, utilising the Group's sustained-release delivery technology platform and AI-driven peptide drug discovery platform. The Group will grant AstraZeneca exclusive worldwide rights (excluding the Chinese Mainland, Hong Kong, Macao and Taiwan) to its portfolio of once-monthly injectable weight management products, comprising one clinical-ready asset, SYH2082, a long-acting GLP1R/GIPR agonist progressing into Phase I, three preclinical programmes with differing mechanisms, and four additional new programmes. For access to eight programmes, as well as these platforms, by AstraZeneca, the Group will receive an upfront payment of US$1.2 billion and is also eligible to receive up to US$3.5 billion in potential research and development milestone payments and up to US$13.8 billion in potential sales milestone payments, plus tiered royalties.

FINANCIAL REVIEW

Financial Results

Revenue and Gross Profit Margin

Revenue for the year amounted to RMB26,006 million, a decrease of 10.4% compared to RMB29,009 million in 2024. The decrease was mainly due to the inclusion of two products, Duomeisu and Jinyouli, in centralised procurement. Gross profit margin slightly decreased by 4.4 percentage point to 65.6%.

Other Income

Other income for the year amounted to RMB755 million (2024: RMB561 million), mainly consisting of interest income on bank deposits and balances of RMB196 million (2024: RMB232 million), government grant income of RMB210 million (2024: RMB129 million) and agency income of RMB73 million (2024: RMB118 million).

Other gains or losses, net

A net gain of RMB258 million was recorded for the year (2024: net loss of RMB118 million), mainly consisting of fair value gain on financial assets measured at FVTPL of RMB296 million (2024: loss of RMB152 million) , net foreign exchange loss of RMB34 million (2024: net gain of RMB20 million) and fair value gain on structured bank deposits of RMB39 million (2024: gain of RMB47 million).

Operating Expenses

Selling and distribution expenses for the year amounted to RMB6,463 million, a decrease of 25.4% compared to RMB8,662 million in 2024. During the year, the Group continued to expand the market coverage of each product and actively promote the newly launched products, but the selling expenses of products winning bids in centralised procurement decreased significantly.

Administrative expenses for the year amounted to RMB825 million, a decrease of 23.5% compared to RMB1,080 million in 2024. The decrease was mainly due to the Group's strengthened control over expenses and optimization.

R&D expenses for the year amounted to RMB5,809 million, an increase of 11.9% compared to RMB5,191 million in 2024. The increase was primarily attributable to the steady increase in spending on ongoing and newly initiated clinical trials.

Income tax expense

Income tax expenses for the year amounted to RMB932 million (2024: RMB1,240 million), which represented provision of income tax expense based on the taxable income of each subsidiary and PRC withholding tax on dividend distributions by certain subsidiaries. The effective tax rate, being the ratio of tax expenses to profit before tax for the year, was 19.4% (2024: 22.2%).

Non-HKFRS Accounting Standards Measure

For the purpose of assessing the performance of the Group, the Company has also presented the underlying profit attributable to shareholders of the Company as an additional financial measure that is not required by, or presented in accordance with HKFRS Accounting Standards. The Group believes that this non-HKFRS Accounting Standards measure better reflects its underlying operational performance by eliminating certain non-operating items that are considered indicative of its operational performance. However, the presentation of this non-HKFRS Accounting Standards measure is not intended to be a substitute for, or superior to, the financial information prepared and presented in accordance with HKFRS Accounting Standards.

Additional information is provided below to reconcile reported and underlying profit attributable to shareholders of the Company:

	2025	2024
	(RMB'000)	*(RMB'000)*
Reported profit attributable to shareholders of the Company	**3,882,108**	4,328,035
Adjustment for:		
— Fair value (gain)/loss on financial assets measured at FVTPL *(note a)*	**(296,263)**	151,936
— (Reversal of) employee share-based compensation expense *(note b)*	**(65,948)**	210,454
— Effect of corresponding income tax	**14,429**	(7,516)
Underlying profit attributable to shareholders of the Company	**3,534,326**	4,682,909

Notes:

(a) Fair value (gain)/loss on financial assets measured at FVTPL arises from the measurement of the Group's investments in certain partnerships, funds and listed equity securities at fair value.

(b) Of the total employee share-based compensation expenses reversed during the year, the Company reversed an expense of RMB77,292,000 (2024: recognised an expense of RMB198,319,000) in respect of share awards granted to selected employees of the Group by Key Honesty Limited, a shareholder of the Company.

Liquidity and Financial Position

In 2025, the Group's operating activities generated a net cash inflow of RMB5,832 million (2024: RMB4,535 million). Turnover days of trade receivables (ratio of balance of trade receivables to sales, inclusive of value added tax for sales in China) was 65 days, higher than 62 days in 2024. The Group will strengthen its control and management in this aspect. Turnover days of inventories (ratio of balance of inventories to cost of sales) was 126 days, lower than 132 days in 2024. Current ratio was 2.2 as at 31 December 2025, lower than the ratio of 2.3 in 2024. Capital expenditure for the year amounted to RMB1,900 million (2024: RMB2,104 million), which was mainly used to construct production facilities and improve production efficiency.

The Group's financial position remained solid. As at 31 December 2025, the Group had bank deposits, balances and cash of RMB9,481 million (2024: RMB9,187 million), structured bank deposits of RMB2,776 million (2024: RMB1,307 million) and bank borrowings of RMB329 million (2024: RMB392 million). As at 31 December 2025, gearing ratio (ratio of bank borrowings to total equity) was 1.0% (2024: 1.2%).

The Group's sales are primarily denominated in Renminbi for domestic sales in China and US dollars for export sales. The Group effectively manages its foreign exchange risks by closely monitoring its foreign exchange exposures and mitigating the impact of foreign currency fluctuations through the use of appropriate hedging arrangements when considered necessary.

Pledge of Assets

As at 31 December 2025, the Group did not have any bank deposits (2024: RMB44 million) pledged to secure short-term banking facilities.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2025.

Employees

The Group employed a total of approximately 19,700 employees as at 31 December 2025, with a majority of them employed in the Chinese Mainland. The Group continues to offer competitive remuneration packages, discretionary share options, share awards and bonuses to eligible staff, based on the overall performance of the Group and the individual employees.

Directors' Report

The Board is pleased to present this annual report and the audited consolidated financial statements of the Company and the Group for the year ended 31 December 2025.

Principal Activities

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 43 to the consolidated financial statements, respectively.

Business Review

Overview

A fair review of the business of the Group, a discussion and analysis of the Group's performance, an indication of likely future development in the Group's business and particulars of important events affecting the Group that have occurred since the end of the financial year are provided in the sections of this annual report headed Chairman's Statement, Management Discussion and Analysis, and in the Notes to the Consolidated Financial Statements.

Principal risks and uncertainties

The Group faces certain risks and uncertainties which may affect its results and operations, some of which are inherent to pharmaceutical sector and beyond its control. These risks and uncertainties include, but not limited to, the followings:

(i) Drug approval process

The actual timing of market launch of our products under development could vary significantly from our estimates due to a number of factors including delays or failures in our pre-clinical studies or clinical trials, the lengthy approval process and the uncertainties of the outcome. Any delay or failure in the process could adversely affect the timing of market launch of our products. The Group is committed to investing in research and development of new drugs to ensure a rich product pipeline.

(ii) Results of volume-based drug procurements

Our sales and profitability partly depend on our ability to win in volume-based drug procurements for our products at a desirable price in China. We may fail to win due to various factors, including uncompetitive bidding price. If our products fail to win or the new prices are significantly cut, the market share, sales and profitability of the products concerned could be adversely impacted. We have a team of staff handling volume-based drug procurements of our products. The Group is also committed to investing in research and development of new drugs to expand and diversify our product portfolio.

(iii) Compliance with certain PRC Environmental and safety regulations

We are subject to the PRC laws, rules and regulations concerning environmental and safety protection. Any violation of these laws, rules or regulations may result in substantial fines, criminal sanctions, revocations of operating permits or shutdown of production facilities. We have established a designated department to inspect and monitor the environmental performance of the Group. The department will make recommendations to correct environmental issues identified and improve the environmental performance of the Group.

(iv) Exclusion of products from drug reimbursement list

Under the PRC medical insurance scheme, patients can obtain reimbursement of all or a portion of the cost of drugs listed in the NRDL. The NRDL is reviewed and updated from time to time. There is no assurance that our products will be or continue to be listed in the NRDL. The removal of any of our products from the NRDL may have an adverse impact on the sales of the products concerned. In addition, product prices may have to be cut in order to be listed in the NRDL.

(v) Illegal practice of employees or third-party distributors

The Group prohibits our employees and third-party distributors from engaging in corruption practices to influence the procurement decision of hospitals. However, we may not be able to effectively ensure that every employee or third-party distributor complies at all times with our policies. If such illegal practices or improper conduct occur, this may harm our reputation or expose us to regulatory investigations and potential punishment. The employee handbook and sales contracts entered into with third-party distributors contain specific rules to prohibit illegal practices in order to prevent misconduct from occurring.

(vi) Side effects of products

Our products may cause severe side effects due to a number of factors, many of which are outside of our control. These factors include potential side effects not revealed in clinical studies, unusual but severe side effects in isolated cases, defective products not detected by our quality management system or misuse of our products by our customers. In addition, our products may be perceived to cause severe side effects if products of other companies containing the same or similar active pharmaceutical ingredients, raw materials or delivery technologies as our products cause or are perceived to have caused severe side effects. If our products cause or are perceived to cause severe side effects, our sales and profitability could be adversely affected. We have adopted a product recall procedure to ensure that our products could be quickly recalled in case of safety or quality concerns.

(vii) Product liability

Claims for product liability and product recalls may arise if any of our products are deemed or proven to be unsafe, ineffective, defective or contaminated, or if we are alleged to have engaged in practices such as insufficient or improper labelling of products or providing inadequate warnings or insufficient or misleading disclosures of side effects. If we are not able to successfully defend such claims, we may be subject to civil liability for damages or criminal liability. Product liability claims may attract negative publicity which may adversely affect our reputation and business. We are committed to maintaining a high technical and quality standard to ensure that the products meet the requirements in all aspects.

Key relationships

(i) Employees

Human resources are one of the greatest assets of the Group and the Group regards the personal development of its employees as highly important. The Group wants to continue to be an attractive employer for committed employees.

The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. The Group provides on-the-job training and development opportunities to our staff members. In addition, the Group offers competitive remuneration packages to our employees. The Group has also adopted share option scheme and share award scheme to recognise and reward the contribution of the employees for the Group's operations and future development.

(ii) Suppliers

We have developed long-standing relationships with a number of suppliers and take great care to ensure that they share our commitment to quality and ethics. We carefully select our suppliers and require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

(iii) Distributors

We sell our finished drug products mainly to distributors which will sell the products to end-user customers. We work closely with the distributors to ensure that we share the view for upholding our brand value and customer services.

(iv) Hospitals

We are committed to offer a broad and diverse range of good-quality products to hospitals. We also stay connected and maintain a close relationship with the hospitals by maintaining a database and have ongoing communications with them through various channels such as visits, marketing materials and meetings.

Environmental policies

We are subject to certain PRC laws, rules and regulations concerning environmental protection, including those in relation to the discharge of gaseous waste, liquid waste and solid waste and noise pollution during our manufacturing processes. The Group attaches importance to compliance with the relevant environmental laws and regulations. We have established designated departments to inspect and monitor the environmental performance of the Group. In addition, the departments will make recommendations to remedy the environmental issues identified and improve the environmental performance of the Group. Discussions on the Group's environmental policies and performance are set out in the ESG Report which will be published separately.

Compliance with laws and regulations

The Group's operations are mainly carried out by the Company's subsidiaries established in the Chinese Mainland and the U.S. while the Company itself is incorporated in Hong Kong with its shares listed on the Stock Exchange. In addition, the shares of a subsidiary of the Company are listed on the ChiNext of Shenzhen Stock Exchange. Our establishment and operations accordingly shall comply with relevant laws and regulations in the Chinese Mainland, the U.S. and Hong Kong. During the year ended 31 December 2025 and up to the date of this report, we have complied with all the relevant laws and regulations in the Chinese Mainland, the U.S. and Hong Kong that have a significant impact on the Group.

Important event after the reporting period

On 25 February 2026, CSPC Innovation Pharmaceutical Co., Ltd. ("CSPC Innovation" or the "Vendor"), a non-wholly owned subsidiary of the Company, entered into an equity transfer agreement (the "Equity Transfer Agreement") with CSPC Holdings Company Limited ("CHL" or the "Purchaser") in relation to the disposal of its 30.0704% equity interest in Beijing Guoxin Huijin Co., Ltd. (the "Target Company") for a consideration of RMB230,000,000 (the "Disposal").

Mr. Cai Dong Chen, a Director and a substantial shareholder of the Company, is indirectly interested in more than 30% of the Purchaser through a series of corporations. As such, the Purchaser is regarded as an associate of a substantial shareholder of the Company and therefore a connected person under Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The consideration for the Disposal was determined based on, among other things, the appraised value of the entire shareholders' equity of the Target Company as at 30 June 2025 (the "Valuation Benchmark Date"), as set out in the asset valuation report prepared by an independent valuer (the "Valuer") adopting the market approach. Considering that the Target Company operates in the information technology services industry and is classified as an asset-light company, coupled with the fact that the Target Company has recorded losses in recent year which brings volatility to its profitability indicators, the Price-to-Sales (P/S) ratio was selected by the Valuer as the valuation multiple for the instant valuation.

Through industry analysis and comparison of business types, the Valuer exhaustively selected three comparable companies from the information technology services industry that have been listed only on the A-share market for at least two years and whose business scope are as consistent as possible with the Target Company, deriving an adjusted mean P/S Multiple of 8.34 from the iFinD Financial Data Terminal of Hithink RoyalFlush Information Network Co., Ltd, which was adopted as the valuation multiple for the valuation. Combined with (i) the Target Company's adjusted sales of approximately RMB72,905,100 for the 12 months preceding the Valuation Benchmark Date (being the aggregate of (a) the Target Company's audited sales of approximately RMB30,728,500 for the six months ended 30 June 2025 and (b) approximately RMB42,176,600 (representing 50% of the Target Company's audited sales of RMB84,353,200 for the year ended 31 December 2024)); (ii) a market-wide industry average discount for lack of marketability (DLOM) of 30.59% being applied to reflect the unlisted status of the Target Company; and (iii) adjustments for the cash and equivalents value of RMB92,796,200 and net non-operating assets value of RMB237,801,300 of the Target Company as at the Valuation Benchmark Date, the appraised value of the entire shareholders' equity of the Target Company as at the Valuation Benchmark Date was RMB753,000,000.

As the completion of the Disposal is subject to the approval of the Vendor's shareholders at the Vendor's shareholders' meeting, at which the Group holding an aggregate of 74.66% equity interest in the Vendor shall abstain from voting, the Disposal has not yet been completed as at the date of this report. For further details, please refer to the announcement of the Company dated 26 February 2026.

Save as disclosed above, the Board is not aware of other important event affecting the Group that has taken place subsequent to 31 December 2025 and up to the date of this report.

Results and Dividends

The results of the Group for the year ended 31 December 2025 are set out on page 85 of this annual report.

The Board recommends a final dividend of HK15 cents per Share which, together with the interim dividend of HK14 cents paid on 18 November 2025, makes a total of HK29 cents per Share in respect of the year ended 31 December 2025. Subject to the approval of the shareholders at the forthcoming annual general meeting, the proposed final dividend will be paid on 15 July 2026 to shareholders whose names appear on the register of members on 29 June 2026.

Distributable Reserves of the Company

The Company's reserves available for distribution to shareholders as at 31 December 2025 amounted to RMB2,516,575,000.

Major Customers and Suppliers

The aggregate sales and purchases attributable to the Group's five largest customers and suppliers were less than 30% of the Group's total revenue and purchases for the year, respectively.

Donations

During the year, the Group made donations for charitable purposes of RMB61,546,000.

Fixed Assets

During the year, the Group continued to expand its business and acquired buildings, plant and equipment of RMB1,900,283,000. Details of the movements in fixed assets of the Group during the year are set out in Note 13 to the consolidated financial statements.

Share Capital

Details of the movements in the share capital of the Company are set out in Note 35 to the consolidated financial statements.

Five-Year Financial Summary

A summary of the Group's results, assets and liabilities for the last five financial years is set out on page 166 of this annual report.

Equity-Linked Agreements

Save for the long-term incentive program of the Group, no equity-linked agreement was entered into during the year or subsisted at the end of the year.

Permitted Indemnity

The Company's articles of association (the "Articles") provides that every director shall be indemnified out of the assets of the Company against any losses or liability (to the extent permitted by the Companies Ordinance) which he/she may sustain or incur in or about the execution of the duties of his/her office. The Directors and Officers Liability Insurance undertaken by the Company provides such indemnities to all the directors of the Company.

Directors

The Directors who held office during the year ended 31 December 2025 and up to the date of this annual report are:

Executive Directors

Cai Dong Chen *(Chairman)*
Cai Lei *(Vice-Chairman and CEO)* (Note 1)
Wei Qingjie *(Vice-Chairman and COO)* (Note 1)
Zhang Cuilong
Wang Zhenguo
Wang Huaiyu
Li Chunlei
Yao Bing
Cai Xin
Chen Weiping
Qu Zhiyong (Note 2)
Zhang Yiwei (Note 3)
Pan Weidong (Note 4)

Independent Non-executive Directors

Wang Bo
Chen Chuan
Wang Hongguang
Au Chun Kwok Alan
Law Cheuk Kin Stephen
Li Quan

Notes:

(1) Dr. Cai Lei and Mr. Wei Qingjie were appointed as executive Directors on 19 December 2025.

(2) Mr. Qu Zhiyong was appointed as an executive Director on 21 November 2025.

(3) Mr. Zhang Yiwei was appointed as an executive Director on 2 March 2026.

(4) Mr. Pan Weidong resigned as an executive Director on 4 November 2025 due to his desire to devote more time to his personal engagements. He confirmed that he had no disagreement with the Board and, save as publicly disclosed, was not aware of any matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

Dr. Cai Lei, Mr. Wei Qingjie, Mr. Qu Zhiyong and Mr. Zhang Yiwei were appointed as additional Directors of the Company by the Board after the annual general meeting of the Company held on 30 May 2025. In accordance with article 92 of the Articles, they shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with article 101 of the Articles, Mr. Zhang Cuilong, Dr. Li Chunlei, Prof. Wang Hongguang, Mr. Au Chun Kwok Alan, Mr. Law Cheuk Kin Stephen and Ms. Li Quan shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract that is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

Biographical Details of Directors and Senior Management

Executive Directors

CAI Dong Chen

Mr. Cai, aged 72, the Chairman, has served an executive Director since April 1997. Mr. Cai is also the chairman of the Nomination Committee of the Company. Mr. Cai holds an MBA degree from Nankai University and has extensive technical, marketing and management experience in the pharmaceutical industry.

Mr. Cai Dong Chen is the father of both Dr. Cai Lei and Mr. Cai Xin. Dr. Cai Lei is the Vice-Chairman, an executive Director, and the CEO. Dr. Cai Lei is the elder son of Mr. Cai. Mr. Cai Xin is an executive Director and is the younger son of Mr. Cai.

Mr. Cai is a substantial shareholder of the Company within the meaning of Part XV of SFO. Mr. Cai is also a director of True Ally Holdings Limited and Massive Giant Group Limited, both are substantial shareholders of the Company within the meaning of Part XV of the SFO.

CAI Lei

Dr. Cai Lei, aged 46, was appointed as the Vice-Chairman, an executive Director and the CEO in December 2025. He is also an executive president of the Group. He previously served as a non-executive director of CSPC Innovation, an indirect non-wholly owned subsidiary of the Company (listed on the ChiNext Market of Shenzhen Stock Exchange, Stock Code: 300765.SZ). Dr. Cai holds a Bachelor's degree in Biochemistry from Beijing Normal University and a Doctoral degree from the National University of Singapore.

Dr. Cai is the elder son of Mr. Cai Dong Chen, the Chairman, an executive Director and a substantial shareholder of the Company within the meaning of Part XV of the SFO. In addition, Dr. Cai is also the elder brother of Mr. Cai Xin, an executive Director.

WEI Qingjie

Mr. Wei, aged 56, was appointed as Vice-Chairman, an executive Director and the COO in December 2025. He is also an executive president of the Group and a director of certain subsidiaries of the Company, primarily responsible for the Group's production and sales related matters. Mr. Wei previously served as a non-executive director and president of Hunan Jingfeng Pharmaceutical Co., Ltd. (listed on the Shenzhen Stock Exchange, Stock Code: 000908.SZ). Mr. Wei has over 30 years of technical and management experience in the pharmaceutical industry. He holds a Bachelor's degree in Medicinal Chemistry from China Pharmaceutical University and is a Professorate Senior Engineer in the Chinese Mainland.

ZHANG Cuilong

Mr. Zhang, aged 57, has served an executive Director since July 2018. He is also an executive president of the Group and a director of certain subsidiaries of the Company primarily responsible for the Group's the production and management affairs. Mr. Zhang holds a Bachelor's degree in Pharmacology from Hebei Medical College (now known as Hebei Medical University) and an EMBA from the China Europe International Business School. He has extensive technical, marketing and management experience in the pharmaceutical industry.

WANG Zhenguo

Mr. Wang, aged 56, has served an executive Director since January 2012. He is also an executive president of the Group and a director of certain subsidiaries of the Company primarily responsible for the Group's the sales and marketing business. Mr. Wang holds a Bachelor's degree in Chemistry from Nankai University and has extensive technical, marketing and management experience in the pharmaceutical industry.

WANG Huaiyu

Mr. Wang, aged 62, has served an executive Director since October 2010. He is also an executive president of the Group, primarily responsible for the Group's production and raw material product sales business. Mr. Wang holds a Bachelor's degree in Microbiology and Biochemistry from Hebei University and has extensive technical and management experience in the pharmaceutical industry.

LI Chunlei

Dr. Li, aged 49, has served an executive Director since December 2017. He is currently the Chief Scientist of the Group, primarily responsible for the Group's of research and development affairs. Dr. Li is also an executive president of the Group and a director of certain subsidiaries of the Company. Dr. Li is also a director of the Novel Pharmaceutical Preparations and Excipients State Key Laboratory. Dr. Li holds a Bachelor's degree in Engineering (Biological Pharmaceutics) from Jilin University and Shenyang Pharmaceutical University, a Master's degree in Science (Microbial and Biochemical Pharmaceutics) from Jilin University and a Doctorate in Science (Pharmaceutical Science) from Shenyang Pharmaceutical University.

YAO Bing

Dr. Yao, aged 48, has served as an executive Director since May 2024. He is also a chairman of CSPC Innovation, an indirect non-wholly-owned subsidiary of the Company (listed on the ChiNext Board of the Shenzhen Stock Exchange, Stock Code: 300765.SZ), and a director of certain subsidiaries of the Company, primarily responsible for the Group's research and development affairs. Dr. Yao holds a Bachelor's degree in Engineering, a Master's degree in Engineering (specializing in Biology) and a Doctorate in Engineering (specializing in Biology) from Nanjing Tech University, and a Master's degree in Engineering from Peking University.

CAI Xin

Mr. Cai, aged 34, has served as an executive Director since May 2024. He is also an executive president of the Group, primarily responsible for the Group's sales and marketing operation. Prior to joining the Group, Mr. Cai served as an analyst at CDH Investments. Mr. Cai holds a Bachelor's degree in Science (Pharmacy) from Purdue University and a Master's degree in Business Administration from the University of New South Wales.

Mr. Cai is the younger son of Mr. Cai Dong Chen, the Chairman, an executive Director and a substantial shareholder of the Company within the meaning of Part XV of the SFO. He is also the young brother of Dr. Cai Lei, the Vice-Chairman, an executive Director and the CEO.

CHEN Weiping

Mr. Chen, aged 46, has served as an executive Director since December 2024. He is also an executive president of the Group and a director of certain subsidiaries of the Company, primarily responsible for the Group's production-related affairs of the Group. Mr. Chen holds a Bachelor's degree in Engineering (Environmental Engineering) from Hebei University of Science and Technology, and is also a senior engineer and a national registered safety engineer.

QU Zhiyong

Mr. Qu, aged 44, was appointed an executive Director in November 2025. He is also an executive president of the Group and a director of certain subsidiaries of the Company, primarily responsible for the Group's listing matters and financial affairs in Hong Kong. Mr. Qu holds a Bachelor's degree in Business Administration from the Hefei University of Technology.

Mr. Qu is a director of Common Success International Limited, a substantial shareholder of the Company within the meaning of Part XV of the SFO.

ZHANG Yiwei

Mr. Zhang, aged 41, was appointed as an executive Director in March 2026. He is also an executive president of the Group, primarily responsible for the Group's securities related affairs. Prior to joining the Group, he possessed over 17 years of extensive experience in the investment banking industry, specialising in equity financing, debt financing, and mergers and acquisitions. Mr. Zhang holds a dual Bachelor's degree in Human Resource Management and Economics and International Economics and Trade from Beijing Normal University, as well as a Master's degree in Economics from The University of Hong Kong.

Note: The Group's businesses are under the direct responsibility of the above executive Directors who are the senior management of the Company.

Independent Non-Executive Directors

WANG Bo

Mr. Wang, aged 65, has served as an independent non-executive Director since December 2012. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Mr. Wang is currently the president of Beijing CHNMED Pharmaceutical Technology Development Co., Ltd and the chairman of Beijing CHNMED Pharmaceutical Consulting Co., Ltd. Mr. Wang graduated from Beijing Institute of Iron and Steel and has extensive experience in pharmaceutical policy research and consulting. Mr. Wang is currently a distinguished researcher of the Research Center of National Drug Policy & Ecosystem.

Mr. Wang is also an independent director of Hainan Huluwa Pharmaceutical Group Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 605199.SH). On 14 November 2025, Mr. Wang ceased to be an independent director of Youcare Pharmaceutical Group Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 688658.SH).

CHEN Chuan

Mr. Chen, aged 62, has served as an independent non-executive Director since June 2016. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Mr. Chen holds a Bachelor's degree in Medicine from Norman Bethune University of Medical Science and a Master's degree in Science from Albert Einstein College of Medicine at Yeshiva University.

WANG Hongguang

Prof. Wang, aged 63, has served as an independent non-executive Director since January 2021. Prof. Wang is currently Dean of the Institute of Chinese People's Life Safety at West China Hospital of Sichuan University, a Distinguished Professor at the Chinese Academy of Medical Sciences & Peking Union Medical College, and an Adjunct Professor at China Pharmaceutical University. He is a retired professor of the Institute of Multidisciplinary Biomedical Research of Tsinghua University (National Institute of Biological Sciences, Beijing), and previously served as a director of the Center of Biotechnology Development of China of the Ministry of Science and Technology and an executive director of Peking University's China Center for Strategic Studies. Prof. Wang has long been engaged in the research on technology and economic strategy, and has conducted in-depth research on domestic and foreign biotechnology development and industry policies. He is the founder of "Disparity Economics" and has published 26 books including Bio-economic of China and more than 170 theses. Prof. Wang holds a Bachelor's degree in Agriculture from Gansu Agricultural University, a Master's degree in Agriculture and a Doctorate in Agriculture from China Agricultural University.

Prof. Wang is also an independent non-executive director of Shanghai Fudan-Zhangjiang Bio-pharmaceutical Co., Ltd (listed on the Stock Exchange, Stock Code: 1349.HK and the Shanghai Stock Exchange, Stock Code: 688505.SH) and outside director of China National Biotec Corporation. Prof. Wang retired as an independent director of Beijing Tiantan Biological Products Corporation Limited (listed on the Shanghai Stock Exchange, Stock Code: 600161.SH) in May 2023.

AU Chun Kwok Alan

Mr. Au, aged 53, has served an independent non-executive Director since January 2021. He is also the chairman of the Audit Committee and Remuneration Committee of the Company. Mr. Au is the founder and managing director of GT Healthcare Group, a private equity platform focusing on cross border healthcare investments. Prior to that, Mr. Au served as the head of the Asia Healthcare Investment Banking of Deutsche Bank Group, advising healthcare IPO and M&A in the region; investment director at JAFCO Asia Investment Group, responsible for healthcare investments in China, and an investment director of Morningside Group responsible for healthcare investments in China/Asia. Mr. Au started his career with KPMG Hong Kong, and was involved in banking audit as well as cross border M&A transactions in financial assets. Mr. Au received a Bachelor's degree in Psychology from Chinese University of Hong Kong and a Master's degree in Management from Columbia Business School in New York. Mr. Au is a certified public accountant (CPA) in the U.S. and a chartered financial analyst (CFA), and an associate member of the Hong Kong Institute of Financial Analysts and member of the American Institute of Certified Public Accountants.

Mr. Au is also an independent director of NovaBridge Biosciences (formerly known as I-Mab Biopharma Co., Ltd. and listed on Nasdaq, Stock Code: NBP).

LAW Cheuk Kin Stephen, *JP*

Mr. Law, aged 63, has served an independent non-executive Director since March 2021. Mr. Law is currently the managing director of ANS Capital Limited. He previously served as the finance director and a member of the executive directorate of MTR Corporation Limited, the CFO of Guoco Group Limited, Hong Kong and managing director of TPG Growth Capital (Asia) Limited, and held various senior positions in the Morningside Group and Wheelock Group. He is also the president of the Hong Kong Institute of Certified Public Accountants, a board member of Hong Kong Cyberport Management Company Limited and a member of the Institute of Chartered Accountants in England and Wales. Mr. Law holds a Bachelor's degree in Science (Civil Engineering) from the University of Birmingham, the United Kingdom and a Master's degree in Business Administration from the University of Hull, the United Kingdom.

Mr. Law is a member of the 14th National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He has also been appointed by the Ministry of Finance of the People's Republic of China as an expert advisor.

Mr. Law is also an independent non-executive director of China Everbright Limited (Stock Code:165.HK), China Galaxy Securities Co., Ltd., (Stock Code: 6881.HK), Keymed Biosciences Inc. (Stock Code: 2162.HK) and XtalPi Holdings Limited (Stock Code: 2228.HK). These four companies are listed on the Stock Exchange. He resigned as an independent non-executive director of Somerley Capital Holdings Limited（listed on the Growth Enterprise Market of the Stock Exchange, Stock Code: 8439.HK）on 23 March 2026.

LI Quan

Ms. Li, aged 45, has served an independent non-executive Director of the Company since November 2022. She is also a member of the Nomination Committee of the Company. Ms. Li has over ten years of experience in investment management. Ms. Li holds a Bachelor of Cell Biology & Genetics and Economics double degree from Peking University, and a Master of Science degree from National University of Singapore School of Computing.

Disclosure of Changes in Directors' Information Pursuant to Rule 13.51(B)(1) of the Listing Rules

Directors	Details of Changes
Mr. PAN Weidong	Resigned as an executive Director on 4 November 2025.
Mr. QU Zhiyong	Appointed as an executive Director on 21 November 2025.
Dr. CAI Lei	Appointed as the Vice Chairman, an Executive Director and the CEO on 19 December 2025.
Mr. WEI Qingjie	Appointed as the Vice Chairman, an Executive Director and the COO on 19 December 2025.
Mr. ZHANG Cuilong	Ceased to serve as the Vice-Chairman and the CEO on 19 December 2025.
Mr. WANG Bo	Ceased to be an independent director of Youcare Pharmaceutical Group Co., Ltd. (listed on the Shanghai Stock Exchange, Stock Code: 688658.SH) on 14 November 2025.
Dr. YAO Bing	Ceased to serve as the general manager of CSPC Innovation in January 2026.
Mr. ZHANG Yiwei	Appointed as an executive Director on 2 March 2026.
Mr. LAW Cheuk Kin Stephen	Ceased to be an independent non-executive director of Somerley Capital Holdings Limited (listed on the Growth Enterprise Market of the Stock Exchange, Stock Code: 8439.HK) on 23 March 2026

Save as disclosed above and in the "Biographical Details of Directors and Senior Management" in this annual report, there was no other change to any of the information required to be disclosed in relation to any Director pursuant to Rule 13.51(B)(1) of the Listing Rules since the publication of the 2025 interim report to the date of this annual report.

Directors of Subsidiaries

The list of directors of the Company's subsidiaries (other than those listed as directors of the Company) is kept at the registered office of the Company and available for inspection by shareholders of the Company during office hours.

Directors' Interests in Transactions, Arrangements or Contracts of Significance

Details of the connected transactions and continuing connected transactions of the Group during the reporting period are set out in the section headed "Connected Transactions and Continuing Connected Transactions" in this annual report.

Other than as disclosed above, no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' Interests in Shares, Underlying Shares and Debentures

As at 31 December 2025, the interests and short positions of the directors and their associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long Positions

Name of Directors	Capacity/ Nature of Interest	Number of shares held	Number of underlying shares held	Total interests in shares/ underlying shares	Approximate % of the issued shares as at 31 December 2025
The Company					
Cai Dong Chen	Beneficial owner	355,858,960	–	355,858,960	3.09%
	Interest of controlled corporation	2,561,045,710[1]	–	2,561,045,710	22.22%
Cai Lei	Beneficial owner	40,000	–	40,000	0.0003%
Wei Qingiei	Beneficial owner	300,000	1,400,000[2]	1,700,000	0.01%
Zhang Cuilong	Beneficial owner	5,000,000	–	5,000,000	0.04%
Wang Zhenguo	Beneficial owner	1,500,000	–	1,500,000	0.01%
Wang Huaiyu	Beneficial owner	1,500,000	–	1,500,000	0.01%
Li Chunlei	Beneficial owner	3,000,000	–	3,000,000	0.03%
Cai Xin	Beneficial owner	100,000	–	100,000	0.001%
Chen Weiping	Beneficial owner	170,000	350,000[2]	520,000	0.005%
Qu Zhiyong	Beneficial owner	90,003	700,000[2]	790,003	0.01%
CSPC Innovation					
Qu Zhiyong	Beneficial owner	800	–	800	0.0001%

Notes:

(1) Mr. Cai Dong Chen is deemed to be interested in 2,561,045,710 shares, comprising (i) 367,081,640 shares directly held by Key Honesty Limited, a direct wholly-owned subsidiary of True Ally Holdings Limited ("True Ally"), (ii) 1,218,834,470 shares directly held by Massive Giant Group Limited, a direct wholly-owned subsidiary of True Ally, (iii) 948,249,600 shares directly held by True Ally, which is directly wholly-owned by Mr. Cai Dong Chen and (iv) 26,880,000 shares directly held by Harmonic Choice Limited by virtue of his interests in a chain of corporations holding Harmonic Choice Limited, namely Massive Top Limited, of which March Rise Limited, Beijing Zhongyihe Hezhong Investment Management Centre (Limited Partnership) (北京中宜和合眾投資管理中心(有限合夥)) ("Zhongyihe") and True Ally own 75%, 15% and 10%, respectively. March Rise Limited in turn is owned as to 40% by True Ally and 60% by Zhongyihe, the general partner of which is Mr. Cai Dong Chen.

(2) The interests represent unvested awarded shares granted by Key Honesty Limited, a shareholder of the Company. Details of which are set out in Note 36 to the consolidated financial statements.

Save as disclosed above, none of the Directors or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as at 31 December 2025.

Arrangements to Purchase Shares or Debentures

Other than the long-term incentive program of the Group, neither the Company nor any of its subsidiaries was a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the year.

Long-Term Incentive Program

(i) 2015 Share Option Scheme

The Company has adopted a share option scheme on 9 December 2015 (the "2015 Share Option Scheme"), details of which are set out in Note 36 to the consolidated financial statements.

On 4 September 2023 (the "Grant Date"), the Company has conditionally granted share options (the "Share Options") to the then directors of the Company set out in the table below (the "Management Grantees") to subscribe for an aggregate of 50,000,000 shares of the Company (the "Share Option Shares") under the Share Option Scheme.

The exercise of the Share Options by the Management Grantees in full (the "Exercise of the Share Options") will cause the aggregate shareholding interests in the total number of issued shares held by the Management Grantees and parties acting in concert with any of them (collectively, the "Management Group") to increase from approximately 29.90% of the total number of issued shares of the Company as at the Grant Date to approximately 30.19% of the total number of issued shares of the Company as enlarged by the issuance of the Share Option Shares in full. Accordingly, the Management Grantees would be obliged to make a mandatory general offer pursuant to Rule 26.1 of the Takeovers Code to the shareholders of the Company for all the issued shares not already owned or agreed to be acquired by the Management Group as a result of the allotment and issuance of the Share Option Shares to the Management Grantees, unless a whitewash waiver is granted by the Securities and Futures Commission ("SFC"). The Management Grantees have applied to the SFC for, and the SFC has granted, a waiver pursuant to Note 1 of the Notes on dispensations from Rule 26 of the Takeovers Code from the obligations of the Management Grantees to make a mandatory general offer for all of the shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company (if any) not already owned or agreed to be acquired by the Management Group which would otherwise arise as a result of the completion of the Exercise of the Share Options (the "Whitewash Waiver").

The resolutions approving the Whitewash Waiver and the conditional grant of the Share Options and the Exercise of the Share Options and the transactions contemplated thereunder were duly passed at the extraordinary general meeting held by the Company on 29 November 2023.

On 11 April 2024, a total number of 19,500,000 Share Options have been exercised by some of the Management Grantees at the exercise price of HK$5.98 per share. Accordingly, a total of 19,500,000 new shares were allotted and issued to some of the Management Grantees on 15 April 2024 (the "Issuance"). Pursuant to Note 15 to Rule 25.1 of the Takeovers Code, the Management Group shall be deemed to have a lowest percentage holding equal to its percentage holding immediately after the Issuance, i.e. 30.01% as at 15 April 2024 (the "New Lowest Percentage Holding"). Any acquisition of additional voting rights by the Management Group subsequent to the Issuance shall be subject to the 2% creeper under Rule 26.1 of the Takeovers Code by reference to the New Lowest Percentage Holding in the 12-month period ending on the date of the Issuance, unless any subsequent disposition of voting rights by the Management Group causes the lowest percentage holding of the Management Group to fall below the New Lowest Percentage Holding. Details of the above exercise of Share Options are set out in the announcement of the Company dated 15 April 2024.

Particulars of share options outstanding under the 2015 Share Option Scheme at the beginning and at the end of the year 2025 and share options granted, exercised, lapsed or canceled under the 2015 Share Option Scheme during 2025 were as follows:

					Number of share options						Closing Price of Share	
Name of category of participants	Date of grant	Exercise period	Vesting period	Exercise price at grant date per Share (HK$)	Unexercised as at 1 January 2025	New grants during the reporting period	Exercised during the reporting period	Lapsed during the reporting period	Cancelled during the reporting period	Unexercised as at 31 December 2025	Prior to the date of grant (HK$)	Prior to the date of exercise (weighted average) (HK$)
Directors:												
CAI Dong Chen	4 September 2023	*(1)*	*(2)*	5.98	9,000,000	–	–	(9,000,000)	–	–	5.90	N/A
ZHANG Cuilong	4 September 2023	*(1)*	*(2)*	5.98	4,000,000	–	–	(4,000,000)	–	–	5.90	N/A
WANG Zhenguo	4 September 2023	*(1)*	*(2)*	5.98	1,500,000	–	–	(1,500,000)	–	–	5.90	N/A
WANG Huaiyu	4 September 2023	*(1)*	*(2)*	5.98	1,500,000	–	–	(1,500,000)	–	–	5.90	N/A
LI Chunlei	4 September 2023	*(1)*	*(2)*	5.98	4,500,000	–	(1,500,000)	(3,000,000)	–	–	5.90	8.05
Other grantees in aggregate	4 September 2023	*(1)*	*(2)*	5.98	10,000,000	–	(2,700,000)	(6,000,000)	–	1,300,000	5.90	8.74
Total					30,500,000	–	(4,200,000)	(25,000,000)	–	1,300,000		

Notes:

1. Subject to the fulfillment of the conditions for the grant and exercise of the share options, the vesting conditions and the vesting period, the exercise period of the share options is 10 years from the date of grant (i.e. 4 September 2023 to 3 September 2033, both days inclusive).

2. Conditional upon the Group having achieved a single-digit percentage growth on the amount of the underlying profit attributable to shareholders (i.e. the profit attributable to shareholders after excluding certain non-operating items as determined by the Board) for the year ended 31 December 2023 as compared to that for the year ended 31 December 2022, 50% of the share options shall vest on 1 April 2024, and such condition has already been satisfied. The remaining 50% of the share options shall vest on 1 April 2025 conditional upon the Group having achieved a double-digit percentage growth on the amount of the underlying profit attributable to shareholders (i.e. the profit attributable to shareholders after excluding certain non-operating items as determined by the Board) for the year ended 31 December 2024 as compared to that for the year ended 31 December 2023. Since such condition had not been satisfied, the share options lapsed on 1 April 2025.

As at the date of the annual report, the total number of shares available for issue under the 2015 Share Option Scheme was 1,300,000 shares, representing approximately 0.01% of the issued shares of the Company.

The exercise price and its determination basis are as follows: the exercise price of stock options must be at least equal to the fair market value of the shares on the date of grant. Such fair market value will be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five (5) business days immediately preceding the offer date, subject to such changes as may be made from time to time to comply with the applicable Listing Rules, as determined by the Board.

The 2015 Share Option Scheme was approved and adopted by the Company's shareholders on 9 December 2015 and expired on 8 December 2025. No further options can be granted thereunder upon the expiration of the 2015 Share Option Scheme.

(2) 2018 Share Award Scheme

The Company has adopted a share award scheme on 20 August 2018 (the "2018 Share Award Scheme"). In addition, a shareholder of the Company has granted share awards to selected employees of the Group. Details of the Company's share awards scheme and the share awards granted by the shareholder are set out in Note 36 to the consolidated financial statements.

Particulars of share award outstanding under the 2018 Share Award Scheme at the beginning and at the end of the year 2025 and those granted, vested, lapsed or cancelled under the 2018 Share Award Scheme during 2025 were as follows:

			Number of awarded shares					Closing Price of Shares	
Grantees	Date of grant	Vesting period	Unvested As at 1 January 2025	New granted during the reporting period	Vested during the reporting period	Cancelled/ lapsed during the reporting period	Unvested As at 31 December 2025	Prior to the date of grant (HK$)	Prior to the vesting (weighted average) (HK$)
Employees	22 April 2024	22 April 2024 to 21 April 2027	300,000	–	–	–	300,000	5.77	N/A
	19 September 2025	19 September 2025 to 30 January 2029	–	9,000,000	–	–	9,000,000	10.14	N/A
Total			300,000	9,000,000	–	–	9,300,000		

The maximum number of the ordinary shares available for award under the 2018 Share Award Scheme may not exceed 124,860,368 ordinary shares, representing 1.08% of the issued ordinary shares as at the date of the annual report.

As at the date of the annual report, the total number of shares available for further award under the 2018 Share Award Scheme was 64,019,868 shares, representing approximately 0.56% of the issued shares of the Company.

The 2018 Share Award Scheme was adopted by the Board on 20 August 2018 (the "Adoption Date"), with subsequent amendments made on 21 May 2024. The 2018 Share Award Scheme shall be valid and effective for a period of ten years from the Adoption Date until 19 August 2028, unless terminated earlier by the Board.

Substantial Shareholders' Interests

As at 31 December 2025, the following persons had interests or short positions in the shares or underlying shares of the Company which are required to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which are recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long Positions

Name of Directors	Capacity/ Nature of Interest	Number of shares held	Number of underlying shares held	Total interests in shares/ underlying shares	Approximate % of the issued shares of the Company[Note 1]
Cai Dong Chen	Beneficial owner	355,858,960	—	2,916,904,670	25.31%
	Interest of controlled corporation	2,561,045,710[Note 2]	—		
True Ally Holdings Limited	Beneficial owner	948,249,600	—	2,561,045,710	22.22%
	Interest of controlled corporation	1,612,796,110	—		
Massive Giant Group Limited	Beneficial owner	1,218,834,470	—	1,218,834,470	10.58%
Common Success International Limited	Beneficial owner	728,796,313	—	728,796,313	6.33%

Notes:

(1) Based on 11,522,451,732 Shares in issue as at 31 December 2025.

(2) Mr. Cai Dong Chen is deemed to be interested in 2,561,045,710 shares, comprising (i) 367,081,640 shares directly held by Key Honesty Limited, a direct wholly-owned subsidiary of True Ally, (ii) 1,218,834,470 shares directly held by Massive Giant Group Limited, a direct wholly-owned subsidiary of True Ally, (iii) 948,249,600 shares directly held by True Ally, which is directly wholly-owned by Mr. Cai Dong Chen and (iv) 26,880,000 shares directly held by Harmonic Choice Limited by virtue of his interests in a chain of corporations holding Harmonic Choice Limited, namely Massive Top Limited, of which March Rise Limited, Zhongyihe and True Ally own 75%, 15% and 10%, respectively. March Rise Limited in turn is owned as to 40% by True Ally and 60% by Zhongyihe, the general partner of which is Mr. Cai Dong Chen.

(3) The interests represent share options granted under the Share Option Scheme of the Company. Details of which are set out in Note 36 to the consolidated financial statements.

Other than as disclosed above, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 31 December 2025.

Connected Transactions and Continuing Connected Transactions

(1) Connected Transactions — Lease Agreements

On 24 June 2025, certain members of the Group entered into new lease agreements with CHL and its subsidiaries, CSPC Zhongcheng Health Technology (Shijiazhuang) Co., Ltd. ("Zhongcheng Health Technology") and Beijing Xinlongli Technology Co., Ltd. ("Xinlongli Technology"), for the lease of various premises. The leases have a term of three years, commencing on either 25 June 2025 or 1 July 2025. The value of the right-of-use assets recognised by the Group under these agreements in its consolidated statement of financial position amounted to approximately RMB166,912,000. For the details of the transaction, please refer to the announcement of the Company dated 24 June 2025.

(2) Continuing Connected Transactions — Master Agreements and Service Arrangement with CHL Group

In 2025, the annual caps and actual transaction amounts generated by the Group under these transactions are set out below.

Name of company	Nature of transactions	Annual caps in 2025 *RMB'000*	Actual transaction amounts during the reporting period *RMB'000*
CHL and its subsidiaries (the "CHL Group")	Sales of pharmaceutical products *(Note a)*	1,409,000	1,004,391
	Purchase of pharmaceutical products *(Note b)*	1,144,000	684,257
	Consolidated services expenses *(Note c)*	115,000	92,983

Notes:

(a) On 22 November 2021, the Company entered into a master sales agreement with CHL for the sale of pharmaceutical products to the CHL Group for a term of three years commencing on 1 November 2021 (the "2021 Master Sales Agreement"). On 19 April 2024, both parties entered into a new master sales agreement to renew the transactions relating to the sale of pharmaceutical products for a term of three years commencing on 1 May 2024, which superseded the 2021 Master Sales Agreement. For the details, please refer to the announcement of the Company dated 19 April 2024.

(b) On 22 December 2021, the Company entered into a master purchase agreement with CHL for the purchase of medicines, raw materials, equipment, low-cost consumables and other products from the CHL Group for a term of three years commencing on 1 January 2022 (the "2021 Master Purchase Agreement"). On 28 June 2024, both parties entered into a new master purchase agreement to renew the transactions relating to the purchase of pharmaceutical products for a term of three years commencing on 1 July 2024, which superseded the 2021 Master Purchase Agreement. For the details, please refer to the announcement of the Company dated 28 June 2024.

(c) A subsidiary of the Company has been leasing certain factory premises and obtaining energy supply services from NCP pursuant to a consolidated services agreement entered into between them prior to NCP becoming a subsidiary of CHL during the year. On 19 December 2024, both parties entered into a new energy supply services agreement for a term of three years commencing on 1 January 2025 upon expiry of the consolidated services agreement. For the details, please refer to the announcement of the Company dated 19 December 2024.

Mr. Cai Dong Chen, an executive Director and a substantial shareholder of the Company, is indirectly interested in more than 30% of CHL through a series of corporations. Therefore, CHL is an associate of a substantial shareholder of the Company, and thus a connected person of the Company under Chapter 14A of the Listing Rules. In addition, each of Mr. Zhang Cuilong, Mr. Wang Zhenguo, Mr. Wang Huaiyu, Dr. Li Chunlei and Dr. Yao Bing, all being executive Directors, is also indirectly interested in CHL.

Conclusion

The independent non-executive Directors have confirmed to the Board that they have reviewed all continuing connected transactions and the auditor's letter, and that the transactions have been entered into by the Group:

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

(ii) on normal commercial terms or better; and

(iii) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Auditor review of continuing connected transactions

The Company has engaged its external auditor, Deloitte Touche Tohmatsu, to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on the work performed, the external auditor has issued its unqualified letter containing its conclusions in accordance with Rule 14A.56 of the Listing Rules and confirmed that the aforesaid continuing connected transactions:

(i) have been approved by the Board;

(ii) were, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;

(iii) were, in all material respects, in accordance with the relevant agreements governing such transactions; and

(iv) have not exceeded the annual cap.

Related Party Transactions

Significant related party transactions which were undertaken in the normal course of business of the Group are set out in Note 41 to the consolidated financial statements. Those related party transactions which constituted exempted connected transactions or continuing connected transactions under the Listing Rules are not disclosed in the section headed "Connected Transactions and Continuing Connected Transactions".

Directors' Interests in Competing Business

CHL holds certain equity interest in (i) CSPC Jiangxi Jinfurong Pharmaceutical Co., Ltd, a company principally engaged in the manufacture and sales of traditional Chinese medicines in China, and (ii) Neimenggu Changsheng Pharmaceutical Co., Ltd. ("NCP"), a company principally engaged in the manufacture and sales of bulk antibiotics products in China. The above companies are considered to compete or likely to compete with certain businesses of the Group. Each of Mr. Cai Dong Chen, Mr. Zhang Cuilong, Mr. Wang Zhenguo, Mr. Wang Huaiyu, Dr. Li Chunlei and Dr. Yao Bing, all being directors of the Company, has an indirect interest in CHL.

Emolument Policy

The emoluments of the Directors are determined with reference to the expertise, experience, responsibilities and performance of the directors, financial and operational performance of the Group as well benchmarks from peer companies and prevailing market conditions.

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

During the year, the Company repurchased a total of 64,300,000 shares on the Stock Exchange at a total consideration of approximately HK$300 million (before expenses) and the repurchased shares were cancelled. The Board considered that such repurchases were made for the benefit of shareholders with a view to enhancing earnings per share and maximising shareholders' returns. Details of the shares repurchased are as follows:

Month	Number of shares repurchased	Highest purchase price per share	Lowest purchase price per share	Aggregate consideration (before expenses)	
		HK$	*HK$*	*HK$*	*RMB* (equivalent)
January	38,850,000	4.72	4.38	176,597,000	163,244,000
March	3,000,000	4.95	4.88	14,763,000	13,624,000
April	22,450,000	4.95	4.66	108,155,000	100,244,000
	64,300,000			299,515,000	277,112,000

In October 2025, the trustee of the Company's share award scheme adopted on 20 August 2018 purchased a total of 17,000,000 shares of the Company on the Stock Exchange to be held on trust for a total consideration of approximately HK$153,787,000 (equivalent to approximately RMB140,401,000), pursuant to the terms and conditions of the 2018 Share Award Scheme.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company listed on the Stock Exchange during the year.

Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended 31 December 2025.

Auditor

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
CAI Dong Chen
Chairman

Hong Kong, 25 March 2026

Corporate Governance Report

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

Corporate Governance Practices

The Board believes that good corporate governance practices are essential to the sustainable development of the Company and the enhancement of shareholders' value. The Company is committed to achieving high standard of corporate governance and will review its corporate governance practices from time to time to ensure they reflect the latest development and meet the expectations of the investors.

The Company has complied with all applicable the code provisions in the Corporate Governance Code set out in Appendix C1 of the Listing Rules (the "CG Code") throughout the year ended 31 December 2025.

Corporate Culture

The corporate mission of CSPC is "All for Good Medicine, All for Mankind's Health". The Group has consistently adhered to this philosophy, persisting in executing our key tasks to drive the sustainable development of our business and society.

All for good medicine: We focus on pharmaceuticals, dedicating our hearts and perseverance to making medicine. Making good medicine means producing drugs of high quality, excellent efficacy, safety, and reliability to meet growing societal needs; it means continuously developing innovative medicines to fulfill unmet health needs. The people of CSPC aspire to be health messengers for all patients, protecting lives and dedicating ourselves to health.

For China: We establish an outstanding industry benchmark by continuously elevating our production, operations, and management systems to meet international standards. We constantly explore new heights in pharmaceutical science, standing at the forefront of global pharmaceutical innovation. We aim to win greater honor and dignity for the Chinese nation and become the pride of China.

All for mankind's health: Caring for human health is our original intention, and we take it as our duty to improve the quality of human life. We not only provide safe and high-quality products for patients and customers worldwide, but also build a platform for our employees to strive and succeed. We create value and substantial returns for our shareholders while sharing our achievements with stakeholders. Furthermore, we actively serve and give back to society, making contributions to the cause of human health.

Board of Directors

The Board is accountable to the shareholders of the Company, directing and overseeing the company's affairs to maximize shareholder value. The Board, acting by itself and through the various committees of the Board, actively participates in and is responsible for establishing strategic directions, setting objectives and business plans, overseeing financial and operational performance. The Company's management is responsible for implementing the overall strategy of the Company and its day-to-day management and operations.

The Board meets at least on a quarterly basis and on such other occasions as may be required to discuss and vote upon significant issues affecting the Company. The Company Secretary assists the chairman in preparing the agenda and helps the Board comply with relevant rules and regulations. The relevant papers for Board meetings shall be sent to each Board members in accordance with the provisions of the CG Code. Directors may include matters to the agenda for discussion if the need arises. If a board meeting is held regarding transactions in which a director has a conflict of interest or a material interest, it shall not be handled by written resolution; the director involved in the matter shall not be counted toward the quorum and shall not vote on the matter.

Every Board member is entitled to have access to documents provided at the Board meeting or filed into the Company's minute-book. Furthermore, the directors, upon reasonable request, may seek independent professional advice at the Company's expense in order for such Director to exercise such Director's duties.

Minutes of the Board meeting and Board committees meetings are prepared with due care and detail, accurately recording matters considered by participants, decisions reached, and any concerns or dissenting views raised by Directors. Draft and final versions of the minutes are circulated to the relevant Directors or committee members within a reasonable time following the meeting and are maintained as a true record of the proceedings. All Directors are entitled to have access to board papers and related materials unless there are legal or regulatory restrictions on disclosure.

Board Composition

As at the date of this annual report, the Board comprises twelve executive Directors including the Chairman, the Vice-Chairmans, the CEO and the COO, and six independent non-executive Directors.

Name	Position
Mr. Cai Dong Chen	Chairman and Executive Director
Dr. Cai Lei	Vice-Chairman, Executive Director and CEO
Mr. Wei Qingjie	Vice-Chairman, Executive Director and COO
Mr. Zhang Cuilong	Executive Director
Mr. Wang Zhenguo	Executive Director
Mr. Wang Huaiyu	Executive Director
Dr. Li Chunlei	Executive Director
Dr. Yao Bing	Executive Director
Mr. Cai Xin	Executive Director
Mr. Chen Weiping	Executive Director
Mr. Qu Zhiyong	Executive Director
Mr. Zhang Yiwei	Executive Director
Mr. Wang Bo	Independent Non-executive Director
Mr. Chen Chuan	Independent Non-executive Director
Prof. Wang Hongguang	Independent Non-executive Director
Mr. Au Chun Kwok Alan	Independent Non-executive Director
Mr. Law Cheuk Kin Stephen	Independent Non-executive Director
Ms. Li Quan	Independent Non-executive Director

The following changes to the Board composition have taken place since the date of the last corporate governance report:

(1) On 27 June 2025, Ms. Li Quan was appointed as a member of the Nomination Committee of the Company.

(2) On 4 November 2025, Mr. Pan Weidong resigned as an executive Director due to his desire to devote more time to his personal engagements.

(3) On 21 November 2025, Mr. Qu Zhiyong was appointed as an executive Director.

(4) On 19 December 2025, Dr. Cai Lei was appointed as the Vice-Chairman, an executive Director and the CEO.

(5) On 19 December 2025, Mr. Wei Qingjie was appointed as the Vice-Chairman, an executive Director and the COO.

(6) On 19 December 2025, Mr. Zhang Cuilong ceased to serve as the Vice-Chairman and the CEO, but he remained as an executive Director.

(7) On 2 March 2026, Mr. Zhang Yiwei was appointed as an executive Director.

The biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 49 to 53 of this annual report.

Mr. Qu Zhiyong, Dr. Cai Lei, Mr. Wei Qingjie and Mr. Zhang Yiwei were appointed as executive Directors during the reporting period and as at the date of this annual report. Mr. Qu, Dr. Cai, Mr. Wei and Mr. Zhang have respectively obtained legal advice prior to their appointments in relation to the requirements, duties and obligations under the Listing Rules that are applicable to them as a director of a listed company and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 21 November 2025, 18 December 2025, 18 December 2025 and 2 March 2026 from an external legal adviser qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules. They have confirmed that they understood their obligations as a Director.

On an annual basis, each independent non-executive Director confirms his/her independence to the Company, and the Company considers each of them to be independent (as defined under Rule 3.13 of the Listing Rules).

Mr. Cai Dong Chen is the Chairman and an executive Director. He is the father of Dr. Cai Lei and Mr. Cai Xin. Dr. Cai Lei is the Vice-Chairman, an executive Director, and the CEO. Dr. Cai Lei is the elder son of Mr. Cai Dong Chen. Mr. Cai Xin is an executive Director and is the younger son of Mr. Cai Dong Chen. All of them are executive Directors and Mr. Cai Dong Chen is a substantial shareholder of the Company. Except as disclosed above, there are no relationships among members of the Board.

In 2025, 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, one possessing appropriate professional qualifications or accounting or related financial management expertise.

Members of the Board have different professional backgrounds, and they actively provide their valuable experiences to the Board to promote the best interests of the Company and shareholders. The independent non-executive Directors are committed to ensuring that the Board safeguards the interests of all shareholders of the Company and ensures independence and objectivity. External independent professional advice is available to all Directors, including the independent non-executive Directors, whenever deemed necessary.

Board, Board Committee and General Meetings

The Board meets regularly to review the financial and operating performance of the Group. Four regular Board meetings were held at approximately quarterly interval in 2025.

Details of Directors' attendance at the Board meetings, Board Committee meetings and AGM in 2025 are set out as follows:

Directors	AGM	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of Meeting(s)	**1**	**4**	**4**	**3**	**3**
Executive Directors					
Cai Dong Chen *(Chairman)*	1/1	4/4			3/3
Cai Lei *(Vice-Chairman and CEO)*[2]	0/0	0/0			
Wei Qingjie *(Vice-Chairman and COO)*[2]	0/0	0/0			
Zhang Cuilong	1/1	4/4			
Wang Zhenguo	1/1	4/4			
Wang Huaiyu	1/1	4/4			
Li Chunlei	1/1	4/4			
Yao Bing	1/1	4/4			
Cai Xin	1/1	4/4			
Chen Weiping	1/1	4/4			
Qu Zhiyong[1]	0/0	0/0			
Zhang Yiwei[3]	0/0	0/0			
Pan Weidong[4]	0/1	3/3			
Independent Non-Executive Directors					
Wang Bo	0/1	4/4	4/4	3/3	3/3
Chen Chuan	1/1	4/4	4/4	3/3	3/3
Wang Hongguang	1/1	4/4			
Au Chun Kwok Alan	1/1	4/4	4/4	3/3	
Law Cheuk Kin Stephen	1/1	4/4			
Li Quan	0/1	4/4			2/2

Notes

1 Appointed as an executive Director on 21 November 2025.
2 Appointed as executive Directors on 19 December 2025.
3 Appointed as an executive Director on 2 March 2026.
4 Resigned as an executive Director on 4 November 2025.

Chairman and Chief Executive Officer

The Chairman of the Board, Mr. Cai Dong Chen, is responsible for providing leadership and guidance to the Board in formulating and executing business plans and objectives, and overseeing the functioning of the Board. The CEO, Dr. Cai Lei (or Mr. Zhang Cuilong, who served as CEO from 1 January 2025 to 19 December 2025) assisted by other executive Directors, is responsible for managing the business of the Group, formulating and implementing the business plans and objectives. Their functions have been clearly divided to ensure a balanced distribution of power and authority.

The relationship of each of Mr. Cai Dong Chen and Dr. Cai Lei with other members of the Board is provided in the "Biographical Details of Directors and Senior Management" section on pages 49 to 53 of this annual report.

Procedure Regarding the Appointment and Re-Election of Directors

In accordance with the Article and related regulations, the Company has adopted the standard procedure regarding the appointment of Directors, setting forth the process by which individuals are appointed as members of the Board. Under the policy, the Board will consider, among other factors: (1) the skills, qualifications, experience, background and nationality of the nominee, including other directorships held in listed companies in the last three years and other major appointments; (2) board diversity; (3) any shares, class or number of shares in the Company held or beneficially owned by the nominee (if any); and (4) any other information relating to the nominee required to be disclosed in accordance with the rules of the Stock Exchange. The Board will decide whether to appoint such nominee to fill a casual vacancy on the Board or as an addition to the existing Directors.

All Directors shall be subject to retirement by rotation and re-election at the AGM in accordance with the Articles, the laws of Hong Kong and the Listing Rules so far as the same may be applicable. The Articles provide that one-third of the Directors for the time being or if their number is not a multiple of three (3), the number nearest to but not less than one-third shall retire from office by rotation and shall be eligible for re-election, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall be determined by lot. The retiring Director shall be eligible for re-election.

Independent Non-executive Directors

Each of the independent non-executive Directors has entered into a service contract with the Company subject to the requirement that one-third of all the directors shall retire from office by rotation at each annual general meeting pursuant to the Articles.

Directors' and Officers' Liabilities

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. Such insurance coverage is reviewed on an annual basis.

Board Diversity Policy

The Company has adopted a board diversity policy which sets out the approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. Pursuant to the policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of service. The Nomination Committee of the Company will give consideration to this policy when identifying qualified candidates to become members of the Board. The Board will review the Board Diversity Policy on a regular basis to ensure its effectiveness.

During the reporting period, the Company appointed one female director to the Nomination Committee. Accordingly, the Company has met the requirement under the Listing Rules to have at least a director of different gender on both the Board and the Nomination Committee. The Company is committed to improving the diversity of the Board based on its needs and as and when suitable candidates are identified.

As at 31 December 2025, the Group has 19,693 employees in total comprising 10,179 males and 9,514 females (a female to- male ratio of 0.93), reflecting a gender equality principle generally adhered by the Company.

During the year under review, the Nomination Committee of the Company has considered and reviewed the board diversity policy and considered that the policy is suitable and effective.

Board Committees

The Board has established three committees, including the Audit Committee, the Remuneration Committee, and the Nomination Committee. Each committee performs the duties and authorities entrusted by the Board in accordance with the charters of each committee. The latest charters of each committee can be obtained from the website of the Company and the Stock Exchange.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely Mr. Au Chun Kwok Alan (chairman of the Audit Committee), Mr. Wang Bo and Mr. Chen Chuan.

The responsibilities of the Audit Committee include, among other things:

(i) assisting the Board in providing an independent review of the effectiveness of the financial reporting process, risk management and internal control systems of the Group;

(ii) overseeing the audit process;

(iii) reviewing the completeness, accuracy, clarity and fairness of the Company's financial statements;

(iv) reviewing and monitoring connected transactions;

(v) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor;

(vi) approving the remuneration and terms of engagement of the external auditor; and

(vii) assessing the independence and objectivity of the external auditor.

The Audit Committee held four meetings in 2025 and performed the duties summarised below:

(i) reviewing and making recommendations to the Board for the approval of the quarterly, interim and annual financial statements of the Group;

(ii) reviewing the connected transactions and continuing connected transactions of the Group;

(iii) assessing the performance of the external auditor and approve its remuneration;

(iv) assessing the independence and objectivity of the external auditor; and

(v) reviewing the effectiveness of risk management and internal control systems of the Group.

The Audit Committee reports its work, findings and recommendations to the Board regularly. In addition, the Audit Committee meets in person or video conference with the Company's external auditor four times a year.

The Audit Committee meets in person or video conference at least four times a year on a quarterly basis and on such other occasions as may be required to discuss and vote upon significant issues. The Company Secretary assists the chairman of the Audit Committee in preparing the agenda for meetings and assists the Audit Committee in complying with the relevant rules and regulations. The relevant papers for the Audit Committee meetings were dispatched to the Audit Committee in accordance with the CG Code. Members of the Audit Committee may include matters for discussion in the agenda if the need arises. Within a reasonable time after an Audit Committee meeting is held, minutes are circulated to the members of the Audit Committee for their comment and review prior to their approval of the minutes at the following or a subsequent Audit Committee meeting.

Remuneration Committee

The Remuneration Committee comprises three independent non-executive Directors, namely Mr. Au Chun Kwok Alan (chairman of the Remuneration Committee), Mr. Wang Bo and Mr. Chen Chuan.

The responsibilities of the Remuneration Committee include, but not limited to, making recommendations to the Board on

(i) the policy and structure for the remuneration of directors and senior management;

(ii) the establishment of a formal and transparent procedure for developing remuneration policy;

(iii) the remuneration packages of individual executive Directors and senior management having regard to the individual performance and responsibilities, the Company's operating results, return to shareholders and comparable market statistics;

(iv) the remuneration of non-executive Directors; and

(v) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

The Remuneration Committee held three meetings in 2025 to consider and make recommendations to the Board on the existing policy and structure for the remuneration of directors and senior management, the remuneration packages of existing and new directors. The relevant papers for the Remuneration Committee meetings were dispatched to committee members in accordance with the CG Code. Members of the Remuneration Committee may include matters for discussion in the agenda if the need arises. Upon the conclusion of the Remuneration Committee meeting, minutes are circulated to the Remuneration members for their comment and review prior to their approval of the minutes at the following or a subsequent Remuneration Committee meeting.

The Group's business is under the direct responsibility of the executive Directors who are the senior management of the Company. Details of the amount of Directors' emoluments for the year ended 31 December 2025 are set out in Note 9 to the consolidated financial statements.

Nomination Committee

The Nomination Committee comprises a majority of independent non-executive Directors. Its current members include Mr. Cai Dong Chen (chairman of the Nomination Committee), Mr. Wang Bo, Mr. Chen Chuan and Ms. Li Quan.

The responsibilities of the Nomination Committee include:

(i) reviewing the structure, size, and composition (including the skills, knowledge, experience and diversity profile) of the Board, assisting the Board in maintaining a board skills matrix, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(ii) identifying suitable director candidates and selecting or making recommendation to the Board on the selection of individuals nominated for directorships;

(iii) assessing the independence of independent non-executive Directors;

(iv) making recommendations to the Board on the appointment or re-appointment of directors and succession planning for Directors;

(v) supporting the regular evaluation of the performance of the Board; and

(vi) reviewing the nomination policy and board diversity policy of the Company periodically and making recommendation on any proposed revisions to the Board.

The Company has adopted a nomination policy which sets out the principles which guide the Nomination Committee to identify and evaluate a candidate suitably qualified to become a director of the Board and make recommendations to the Board on the selection of candidates nominated for directorships with reference to the selection criteria. The Board is ultimately responsible for selection and appointment of new Directors.

Nomination Criteria

The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria, having due regard to the benefits of diversity on the Board, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies should be limited to reasonable numbers, qualifications including accomplishment and experience in the relevant industries the Company's business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximise shareholders' value.

Nomination Procedure

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

1. If the Nomination Committee determines that an additional or replacement director is required, the Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate.

2. The Nomination Committee may propose to the Board a candidate as a nominee for election to the Board.

3. The Board will have the final authority to appoint the candidate as director to fill a casual vacancy or as an addition to the Board.

4. The shareholders of the Company approve the election of candidate, who stands for election at the forthcoming annual general meeting, as a director.

The Nomination Committee held three meetings in 2025 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors, make recommendations on the re-appointment of directors at the annual general meeting, nominate the appointment of new directors to the Board in accordance with the procedures in the nomination policy as mentioned above and review the implementation and effectiveness of the board diversity policy.

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules. In response to specific enquiries made, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

Directors' Continuous Professional Development

All Directors should keep abreast of the responsibilities as a director, and of the conduct and business activities of the Company. Each newly appointed Director is provided with training with respect to such Director's responsibilities under the Listing Rules and SFO. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. All Directors have been updated on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. The Company maintains the training records of all Directors. In 2025, the Directors complied with Code Provision A.6.5 of the CG Code through participation in the below-mentioned continuous professional development and reading relevant materials and journals to develop and refresh their knowledge and skills.

The training records of the Directors during the reporting period are summarized as follows:

	Type of Training	
Name of Directors	**A**	**B**
Executive Directors		
Cai Dong Chen	✓	✓
Cai Lei[2]	✓	✓
Wei Qingjie[2]	✓	✓
Zhang Cuilong	✓	✓
Wang Zhenguo	✓	✓
Wang Huaiyu	✓	✓
Li Chunlei	✓	✓
Yao Bing	✓	✓
Cai Xin	✓	✓
Chen Weiping	✓	✓
Qu Zhiyong[1]	✓	✓
Independent Non-Executive Directors		
Wang Bo	✓	✓
Chen Chuan	✓	✓
Wang Hongguang	✓	✓
Au Chun Kwok Alan	✓	✓
Law Cheuk Kin Stephen	✓	✓
Li Quan	✓	✓

Notes:

A: Attending training sessions relating to Group's business and directors' duties, including but not limited to briefings, seminars, conferences and workshops.

B: Reading materials relevant to the Group's business, directors' duties, and risk management, which include reviewing news alerts, newspapers, journals, magazines, and other relevant publications, as well as studying books and updates on the economy, general business practices, corporate governance, and directors' duties and responsibilities.

(1) Mr. Qu was appointed as an executive Director on 21 November 2025.

(2) Dr. Cai and Mr. Wei were appointed as executive Directors on 19 December 2025.

All Directors have confirmed that they have given sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2025. As at the date of this report, none of the independent non-executive Directors concurrently holds more than six listed company directorships (including the Company).

Mechanism on Independent Views to the Board

The Board has adopted effective mechanism to ensure independent views and input are available to the Board. Subject to approval of the Chairman of the Board, directors may seek, at the Company's expense, independent legal, financial or other professional advice from advisors independent to those advising the Company as and when necessary to enable them to discharge their responsibilities effectively. The Board will review the implementation and effectiveness of such mechanism on an annual basis.

The Chairman holds meetings with the independent non-executive Directors without the other executive Directors present at least once a year.

The Board has reviewed the validity of implementation of such mechanism during the year and considered that such mechanism is effective.

Risk Management and Internal Controls

The Board has overall responsibility for overseeing the Group's risk management and internal control systems, and reviewing their effectiveness. Under the Corporate Governance Code issued by the Stock Exchange, management should provide a confirmation to the Board on the effectiveness of such systems. The Group's risk management and internal control systems are designed to ensure the achievement of business objectives in operations, reliability and completeness of financial reporting and compliance with applicable laws and regulations. They 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.

Effective risk management is the key to sustainable business success. As a major pharmaceutical group based in Chinese Mainland, the Group faces a diverse range of risks and uncertainties that could have a materially adverse impact on the business or results of operations. The Group's approach to risk management is therefore an ongoing process of identification, evaluation and management of the principal risks affecting the business.

The Board supervises the management's designing, implementing and monitoring the risk management and internal control system to ensure the effectiveness of the risk management programs.

Risk Management Framework

1. Each business unit is responsible for identifying, assessing and managing risks within its business, ensuring that appropriate internal controls for effective risk management are implemented — principal risks are identified and assessed in the yearly business planning process with action plans to manage those risks;

2. The management is responsible for overseeing the risk management and internal control activities of the Group — regular meetings with each business unit to ensure principal risks are properly managed, and new or changing risks are identified;

3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal control systems — review of the annual review report and consideration of the Audit Committee's recommendation.

The risk management framework, coupled with our internal controls, ensures that the risks associated with our different business units are effectively controlled in line with the Group's risk appetite.

Internal Control System

The internal control system of the Group is designed to facilitate effective and efficient operations, ensure the maintenance of proper accounting records, ensure compliance with applicable laws and regulations, identify and manage potential risks and safeguard assets of the Group. The management is responsible for the design, implementation and maintenance of internal controls, while the Audit Committee and the Board review the effectiveness of the Group's systems of internal controls and risk management through the assistance of the internal audit function.

During 2025, the Group's internal audit function (undertaken by the Internal Audit Department, and Supervision and Security Department) has conducted an annual review of the effectiveness of the risk management and internal control systems of the Group, covering all material financial, operational and compliance controls, and risk management. In addition, the review has considered the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions. The review report was submitted to the Audit Committee and the Board for their review.

Apart from review of the annual review report submitted by the internal audit function, the Audit Committee also had regular meetings with the external auditor and reviewed the reports provided by the external auditor of any control issues or findings identified in the course of their work. The Audit Committee has also requested the management to follow up the recommendations given by the external auditor to remedy the control issues identified or to further improve the internal control systems.

The Board formed its own view on the effectiveness of the risk management and internal control systems based on the review of the annual review report and the recommendation of the Audit Committee.

In respect of the year ended 31 December 2025, the Board considered the risk management and internal control systems of the Group effective and adequate. No significant areas of concern that may affect the financial, operational, compliance controls, and risk management of the Group have been identified. The Board also considered the resources, qualification and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions adequate. Nevertheless, the Group would take further steps to continually improve its risk management and internal control systems.

Anti-Corruption Policy and Whistleblowing Policy

The Company has adopted an anti-corruption policy to govern the acceptance of advantages by employees and a whistleblowing policy to provide guidance to employees and external stakeholders to report concerns about any suspected or actual improprieties relating to the Group.

Dissemination of Inside Information

The Company is committed to a consistent practice of timely, accurate and sufficiently detailed disclosure of material information about the Group. The Company has adopted a policy on disclosure of inside information which sets out the obligations, guidelines and procedures for handling and dissemination of inside information. With those guidelines and procedures, the Group has management controls in place to ensure that potential inside information can be promptly identified, assessed and escalated for the attention of the Board to decide about the need for disclosure.

Corporate Governance Functions

The Board (or any of its committees) is responsible for performing the corporate governance duties:

- develop and review the Company's policies and practices on corporate governance including shareholders' communication policy, dividend policy, board diversity policy and mechanism on independent views to the Board, and make recommendations;
- review and monitor the training and continuous professional development of directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report under Appendix C1 to the Listing Rules.

The Board has performed the above duties during the year.

External Auditor

The Company has engaged Deloitte Touche Tohmatsu as its external auditor. The remuneration for audit and non-audit services provided by Deloitte Touche Tohmatsu to the Group in 2025 are as follows:

Nature of services	*RMB'000*
Audit and assurance services	9,383
Tax advisory and compliance	595
Total	9,978

The remuneration of the external auditor for audit and non-audit services has been reviewed by the Audit Committee to ensure the independence of the external auditor. During the year, the Audit Committee has received confirmation from and discussed with Deloitte Touche Tohmatsu on its independence. Deloitte Touche Tohmatsu has adopted a seven-year rotation policy regarding engagement partner. As the current engagement partner has served on the audit of the Company since 2021, a new engagement partner will be assigned to the Company in 2028.

Directors' Responsibility for Financial Reporting in Respect of Financial Statements

The Directors' responsibilities for the financial statements and the responsibilities of the external auditor are set out on page 82 of this annual report.

There are no material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Company Secretary

Mr. Lo Tai On, the Company Secretary, is a member of The Hong Kong Institute of Certified Public Accountants. He is a director of Fair Wind Secretarial Services Limited, a company rendering secretarial services, and is not a full-time employee of the Company. He reports to the Board and the primary contact person of the Company with Mr. Lo is Mr. Choi Chung Yin, a financial controller of the Company. During the year, Mr. Lo has confirmed that he has taken no less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

Communication with Shareholders

The objective of communication with shareholders is to provide them with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner. The Company uses a range of communication tools to ensure its shareholders and investors are kept well informed of key business imperatives. These include general meetings, interim and annual reports, announcements and circulars.

The Company also actively attends different forms of investors' communication activities, including meetings with investors, telephone conferences, activities organized by sell side institutions and non-deal roadshows, with the aim of enhancing corporate transparency so that investors can have a better understanding of the business model and latest development strategy of the Group. During 2025, management of the Company has attended around 260 one-on-one and group meetings.

In addition, the Company maintains a website at www.cspc.com.hk a communication platform with shareholders and investors, where the Group's business developments and operations, financial information, corporate governance practices and other key information are available for public access.

In order to enable shareholders and investors to exercise their rights in an informed manner and to allow them to engage actively with the Company, a shareholders' communication policy of the Company has been established. Shareholders and investors may at any time send their enquiries and concerns to the Company via the Company's website. Shareholders may also make enquiries with the Board at the general meetings of the Company.

The Board has reviewed the validity of implementation of the shareholders' communication policy during the year and considered that it remained effective in enhancing timely, transparent, accurate and open communication between the Company and the shareholders.

General Meeting on Requisition by Shareholders

Pursuant to Sections 566-568 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholder(s) representing at least 5% of the total voting rights of all shareholders having a right to vote at general meetings can make a request to call a general meeting. The request, which may be sent in hard copy form or electronic form, must state the general nature of the business to be dealt with at the meeting and must be authenticated by the person or persons making it. The request may consist of several documents in like form and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting.

The directors must call a general meeting within 21 days after the date on which they become subject to the requirement, and the meeting so called must be held on a date not more than 28 days after the date of the notice convening the meeting. If the directors do not do so, the shareholders who requested the meeting, or any of them representing more than one half of the total voting rights of all of them, may themselves call a general meeting, but the meeting must be called for a date not more than 3 months after the date on which the directors become subject to the requirement to call a meeting. The Company must reimburse any reasonable expenses incurred by the shareholders requesting the meeting by reason of the failure of the directors duly to call the meeting.

Procedures for Putting Forward Proposal at the AGM

Pursuant to Section 615 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholders may make a request to circulate a resolution at an AGM if they represent at least 2.5% of the total voting rights of all shareholders having a right to vote on the resolution at the AGM to which the request relates; or are at least 50 shareholders having a right to vote on the resolution at the AGM to which the request relates.

The request, which may be sent in hard copy form or electronic form, must (i) identify the resolution of which notice is to be given; (ii) be authenticated by the person or persons making it; and (iii) be received by the Company not later than 6 weeks before the AGM to which the request relates or if later, the time at which notice is given of that AGM.

Procedures for Nominating a Person for Election as a Director

The procedures for shareholders to nominate a person for election as a director have been published on the Company's website.

2025 AGM

At the AGM held in 2025, separate resolutions were proposed by the chairman in respect of each separate issue, including re-election of directors. All the resolutions were voted by way of poll, and the results of the poll were announced in the manner prescribed under the Listing Rules. Mr. Cai Dong Chen (chairman of the Board and Nomination Committee) and Mr. Au Chun Kwok Alan (chairman of the Audit Committee and Remuneration Committee) have attended the AGM to ensure effective communication with shareholders.

Constitutional Documents

There was no change in the Company's constitutional documents during 2025.

Dividend Policy

The Company is committed to maintaining its shareholders with sustainable and stable absolute returns in the form of dividends. The stable payment of dividends to shareholders is a primary objective of the Company. The Board has full discretion over whether to declare dividends, subject to shareholders' approval where applicable. The Board shall determine the form, frequency, and amount of dividend payments. The actual dividend distributions will be based on the Company's financial performance and cash flow, future capital requirements, general economic and business conditions, as well as factors such as capital structure and solvency.

Independent Auditor's Report

Deloitte. 德勤

TO THE MEMBERS OF CSPC PHARMACEUTICAL GROUP LIMITED
石藥集團有限公司
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of CSPC Pharmaceutical Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 85 to 165, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of 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 judgment, 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.

Key audit matter

Expected credit losses on trade receivables

We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.

As at 31 December 2025, the Group's net trade receivables amounted to RMB4,778,867,000 representing approximately 10.23% of total assets of the Group, and RMB550,688,000 of which were past due.

As disclosed in note 39 to the consolidated financial statements, the management of the Group estimated the amount of lifetime ECL of trade receivables, other than major customers and credit-impaired balances, based on provision matrix through grouping of various debtors that have similar loss patterns, after considering aging, repayment history and/or past due status of respective trade receivables. Estimated loss rates were based on historical observed default rates over the expected life of the debtors and were adjusted for forward-looking information. Trade receivables with major customers and credit-impaired balances were assessed for ECL individually. The loss allowance of the credit-impaired trade receivables was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

As disclosed in note 39 to the consolidated financial statements, the Group's lifetime ECL recognised on trade receivables as at 31 December 2025 amounted to RMB48,470,000.

How our audit addressed the key audit matter

Our procedures in relation to impairment assessment of trade receivables included:

- Understanding key controls on how the management estimates the loss allowance for trade receivables;
- Evaluating the competence, capabilities and objectivity of the independent qualified professional valuer;
- Involving our internal valuation specialists to assess the appropriateness of valuation methodology and assumptions adopted;
- Testing the integrity of information used by management to develop the provision matrix, including trade receivables aging analysis as at 31 December 2025, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents; and
- Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 31 December 2025, including their identification of major customers and credit-impaired balances, the reasonableness of management's grouping of the remaining debtors into different categories in the provision matrix, and the basis of estimated loss rates applied for each individual trade debtor and each category in the provision matrix (with reference to historical default rates and forward-looking information).

Other Information

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

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

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

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, 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 Ms. Fung Suet Ngan (Practising certificate number: P04690).

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 March 2026

Consolidated Income Statement

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	5	**26,005,980**	29,009,254
Cost of sales		**(8,947,477)**	(8,710,543)
Gross profit		**17,058,503**	20,298,711
Other income		**754,949**	561,089
Other gains or losses, net		**258,450**	(118,149)
Selling and distribution expenses		**(6,463,271)**	(8,662,306)
Administrative expenses		**(825,460)**	(1,079,603)
Research and development expenses		**(5,808,743)**	(5,190,656)
Other expenses		**(75,271)**	(97,213)
Share of results of associates	18	**(42,495)**	(45,922)
Share of results of joint ventures	19	**(9,950)**	(43,552)
Finance costs	6	**(38,595)**	(43,673)
Profit before tax		**4,808,117**	5,578,726
Income tax expense	8	**(931,727)**	(1,239,901)
Profit for the year	7	**3,876,390**	4,338,825
Profit/(loss) for the year attributable to:			
Owners of the Company		**3,882,108**	4,328,035
Non-controlling interests		**(5,718)**	10,790
		3,876,390	4,338,825
		RMB cents	RMB cents
Earnings per share	11		
— Basic		**33.98**	36.87
— Diluted		**33.98**	36.87

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 ***RMB'000***	2024 *RMB'000*
Profit for the year	**3,876,390**	4,338,825
Other comprehensive (expense)/income:		
Item that will not be reclassified to profit or loss:		
Fair value loss on financial assets measured at fair value through other comprehensive income, net of income tax	**(150,082)**	(12,453)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**26,338**	(29,594)
Other comprehensive expense for the year, net of income tax	**(123,744)**	(42,047)
Total comprehensive income for the year	**3,752,646**	4,296,778
Total comprehensive income/(expense) for the year attributable to:		
Owners of the Company	**3,758,364**	4,285,988
Non-controlling interests	**(5,718)**	10,790
	3,752,646	4,296,778

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	13	**12,153,162**	11,374,442
Right-of-use assets	14	**1,336,253**	1,128,458
Investment properties	15	**71,565**	56,127
Goodwill	16	**234,904**	234,904
Intangible assets	17	**2,774,871**	2,609,506
Interests in associates	18	**754,737**	815,094
Interests in joint ventures	19	**710,849**	711,799
Other financial assets	20	**2,251,276**	2,334,120
Deferred tax assets	33	**211,505**	250,297
Deposits, prepayments and other receivables	23	**556,488**	576,100
Bank deposits	26	**3,391,691**	2,410,000
		24,447,301	22,500,847
Current assets			
Inventories	21	**3,090,736**	3,130,014
Trade receivables	22	**4,778,867**	5,160,672
Deposits, prepayments and other receivables	23	**1,507,394**	887,059
Bills receivables	24	**3,580,982**	4,035,490
Amounts due from related companies	41	**343,686**	359,123
Amounts due from joint ventures	41	**83,468**	65,475
Other financial assets	20	**–**	166,105
Structured bank deposits	25	**2,775,915**	1,307,007
Bank deposits, balances and cash	26	**6,089,565**	6,777,199
		22,250,613	21,888,144

Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Current liabilities			
Trade payables	27	**2,322,004**	1,667,247
Other payables	28	**5,334,111**	5,741,793
Contract liabilities	31	**662,247**	283,901
Bills payables	29	**653,624**	945,753
Amounts due to related companies	41	**305,545**	272,659
Amounts due to joint ventures	41	**210,788**	133,965
Lease liabilities	32	**131,693**	58,991
Tax liabilities		**229,131**	137,514
Bank borrowings	30	**328,723**	392,204
		10,177,866	9,634,027
Net current assets		**12,072,747**	12,254,117
Total assets less current liabilities		**36,520,048**	34,754,964
Non-current liabilities			
Other payables	28	**563,241**	407,808
Contract liabilities	31	**851,136**	–
Lease liabilities	32	**180,693**	56,135
Deferred tax liabilities	33	**374,861**	424,731
		1,969,931	888,674
Net assets		**34,550,117**	33,866,290
Capital and reserves			
Share capital	35	**11,061,429**	11,032,752
Reserves		**22,116,738**	21,231,943
Equity attributable to owners of the Company		**33,178,167**	32,264,695
Non-controlling interests		**1,371,950**	1,601,595
Total equity		**34,550,117**	33,866,290

The consolidated financial statements on pages 85 to 165 were approved and authorised for issue by the Board of Directors on 25 March 2026 and are signed on its behalf by:

CAI Dong Chen
DIRECTOR

QU Zhiyong
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Equity attributable to owners of the Company									Equity attributable to non-controlling interests			
	Share capital RMB'000	Treasury share reserve RMB'000	Employee share-based compensation reserve RMB'000	Other reserve RMB'000 (note a)	Statutory reserves RMB'000 (note b)	Capital contribution reserve RMB'000 (note c)	Translation reserve RMB'000	Accumulated profits RMB'000	Sub-total RMB'000	Employee share-based compensation reserve of a subsidiary RMB'000	Share of net assets of subsidiaries RMB'000	Sub-total RMB'000	Total RMB'000
At 1 January 2024	10,899,412	(316,214)	28,346	(4,048,069)	2,209,844	390,526	4,503	24,034,860	33,203,208	6,722	1,808,082	1,814,804	35,018,012
Profit for the year	–	–	–	–	–	–	–	4,328,035	4,328,035	–	10,790	10,790	4,338,825
Other comprehensive expense for the year, net of income tax	–	–	–	(12,453)	–	–	(29,594)	–	(42,047)	–	–	–	(42,047)
Total comprehensive (expense)/income for the year	–	–	–	(12,453)	–	–	(29,594)	4,328,035	4,285,988	–	10,790	10,790	4,296,778
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(98,496)	(98,496)	(98,496)
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	–	–	2,115	2,115	2,115
Purchase of shares under share award scheme	–	(299,711)	–	(316,780)	–	–	–	–	(616,491)	–	–	–	(616,491)
Dividends recognised as distribution	–	–	–	–	–	–	–	(3,233,815)	(3,233,815)	–	–	–	(3,233,815)
Cancellation of shares repurchased	–	–	–	–	–	–	–	(1,579,098)	(1,579,098)	–	–	–	(1,579,098)
Transfer to statutory reserves	–	–	–	–	95,639	–	–	(95,639)	–	–	–	–	–
Recognition of employee share-based compensation expense	–	–	12,052	–	–	198,319	–	–	210,371	83	–	83	210,454
Acquisition of additional interests in a subsidiary	–	–	–	–	–	–	–	(70,258)	(70,258)	–	(169,341)	(169,341)	(239,599)
Deemed disposal of partial interest of interest in a subsidiary	–	–	–	–	–	–	–	(41,640)	(41,640)	–	41,640	41,640	–
Vesting of shares under share award scheme	–	3,884	(5,519)	–	–	–	–	1,635	–	–	–	–	–
Exercise of share options	133,340	–	(26,910)	–	–	–	–	–	106,430	–	–	–	106,430
At 31 December 2024	11,032,752	(612,041)	7,969	(4,377,302)	2,305,483	588,845	(25,091)	23,344,080	32,264,695	6,805	1,594,790	1,601,595	33,866,290
At 1 January 2025	**11,032,752**	**(612,041)**	**7,969**	**(4,377,302)**	**2,305,483**	**588,845**	**(25,091)**	**23,344,080**	**32,264,695**	**6,805**	**1,594,790**	**1,601,595**	**33,866,290**
Profit/(loss) for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,882,108**	**3,882,108**	**–**	**(5,718)**	**(5,718)**	**3,876,390**
Other comprehensive (expense)/income for the year, net of income tax	**–**	**–**	**–**	**(150,082)**	**–**	**–**	**26,338**	**–**	**(123,744)**	**–**	**–**	**–**	**(123,744)**
Total comprehensive (expense)/income for the year	**–**	**–**	**–**	**(150,082)**	**–**	**–**	**26,338**	**3,882,108**	**3,758,364**	**–**	**(5,718)**	**(5,718)**	**3,752,646**
Dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,943)**	**(6,943)**	**(6,943)**
Purchase of shares under share award scheme	**–**	**(140,812)**	**–**	**–**	**–**	**–**	**–**	**–**	**(140,812)**	**–**	**–**	**–**	**(140,812)**
Dividends recognised as distribution	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,497,337)**	**(2,497,337)**	**–**	**–**	**–**	**(2,497,337)**
Cancellation of shares repurchased	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(277,633)**	**(277,633)**	**–**	**–**	**–**	**(277,633)**
Transfer to statutory reserves	**–**	**–**	**–**	**–**	**89,868**	**–**	**–**	**(89,868)**	**–**	**–**	**–**	**–**	**–**
Recognition of employee share-based compensation expense	**–**	**–**	**11,344**	**–**	**–**	**(77,292)**	**–**	**–**	**(65,948)**	**–**	**–**	**–**	**(65,948)**
Acquisition of additional interests in a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(96,654)**	**(96,654)**	**–**	**(6,373)**	**(6,373)**	**(103,027)**
Dilution of interest in subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**210,611**	**210,611**	**–**	**(210,611)**	**(210,611)**	**–**
Exercise of share options	**28,677**	**–**	**(5,796)**	**–**	**–**	**–**	**–**	**–**	**22,881**	**–**	**–**	**–**	**22,881**
At 31 December 2025	**11,061,429**	**(752,853)**	**13,517**	**(4,527,384)**	**2,395,351**	**511,553**	**1,247**	**24,475,307**	**33,178,167**	**6,805**	**1,365,145**	**1,371,950**	**34,550,117**

Notes:

(a) The balance in other reserve mainly included (i) an amount of RMB4,030,633,000 which represents the difference between the fair value of the deemed consideration under the reverse acquisition of RMB2,631,198,000 and the fair value of the consideration paid by the Company of RMB6,661,831,000 in a reverse acquisition on 29 October 2012; (ii) the accumulated changes in fair value of financial assets designated at fair value through other comprehensive income ("FVTOCI"); and (iii) repurchase of shares of CSPC Innovation Pharmaceutical Co., Ltd. ("CSPC Innovation"), a non-wholly owned listed subsidiary of the Group for treasury shares purpose.

(b) The statutory reserves are appropriated from profit after tax of the Company's subsidiaries in the People's Republic of China (the "PRC") under the laws and regulations of the PRC.

(c) The balance in capital contribution reserve mainly included the deemed contribution by CSPC Holdings Company Limited ("CHL"), a related company as defined in note 41, which comprises (i) the difference between the carrying amount of the net assets of entities comprising Robust Sun Holdings Limited ("Robust Sun") and its subsidiaries (collectively referred to as the "Robust Sun Group") and the consideration paid to CHL and its subsidiaries during group reorganisation under Robust Sun Group in 2012; (ii) the imputed interest on a non-interest bearing loan from CHL in 2012; and (iii) deemed capital contribution arising from the acquisition of CSPC Shengxue Glucose Co., Ltd. from CHL in 2016; and (iv) deemed capital contribution arising from the grant of share awards to employees of the Group in 2022 by a shareholder.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 ***RMB'000***	2024 *RMB'000*
OPERATING ACTIVITIES		
Profit before tax	**4,808,117**	5,578,726
Adjustments for:		
Depreciation of property, plant and equipment	**1,083,620**	1,023,305
Depreciation of right-of-use assets	**171,072**	163,768
Depreciation of investment properties	**3,305**	3,305
Amortisation of intangible assets	**154,753**	149,072
Finance costs	**38,595**	43,673
Government grant income	**(210,300)**	(128,772)
Fair value (gain)/loss on financial assets measured at FVTPL	**(296,263)**	151,936
Fair value gain on structured bank deposits	**(39,241)**	(47,470)
Interest income	**(195,872)**	(232,497)
Loss on disposal of property, plant and equipment	**16,472**	23,398
Loss on write-off of intangible assets	**–**	178
Impairment loss recognised on interest in an associate	**9,976**	–
Impairment loss (reversed)/recognised under expected credit loss model	**(9,971)**	16,304
Reversal of write-down of inventories	**(2,756)**	–
Employee share-based compensation expenses	**(65,948)**	210,454
Share of results of associates	**42,495**	45,922
Share of results of joint ventures	**9,950**	43,552
Operating cash flows before movements in working capital	**5,518,004**	7,044,854
Decrease in inventories	**42,034**	8,650
Decrease in trade receivables	**391,776**	692,247
Increase in deposits, prepayments and other receivables	**(620,335)**	(214,404)
Increase in bills receivables	**(177,649)**	(1,000,925)
Decrease/(increase) in amounts due from related companies	**15,437**	(201,810)
(Increase)/decrease in amounts due from joint ventures	**(17,993)**	64,056
Increase/(decrease) in trade payables	**654,757**	(758,868)
Increase/(decrease) in contract liabilities	**1,229,482**	(42,304)
(Decrease)/increase in bills payables	**(292,129)**	530,129
Decrease in other payables	**(333,688)**	(421,061)
Increase in deferred government grants	**136,672**	177,426
Increase in amounts due to joint ventures	**76,823**	98,378
Increase in amounts due to related companies	**32,886**	251,223
Cash generated from operations	**6,656,077**	6,227,591
Income tax paid	**(824,436)**	(1,692,927)
NET CASH FROM OPERATING ACTIVITIES	**5,831,641**	4,534,664

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(1,959,267)**	(2,015,216)
Addition of right-of-use assets		**(978)**	(103,580)
Refund of deposits paid for right-of-use assets		**18,500**	–
Purchase of intangible assets		**(320,248)**	(560,080)
Purchase of other financial assets		**(126,883)**	(411,950)
Capital injection to an associate		**–**	(80,000)
Capital injection to a joint venture		**(29,000)**	(93,000)
Receipts of government grants		**208,862**	104,077
Placement of structured bank deposits		**(3,182,000)**	(1,418,000)
Withdrawal of structured bank deposits		**1,752,333**	1,235,517
Placement of pledged and restricted bank balances		**(49,741)**	(82,029)
Withdrawal of pledged and restricted bank balances		**81,344**	56,584
Placement of bank deposits		**(1,948,538)**	(2,580,000)
Withdrawal of bank deposits		**960,000**	1,600,000
Interest received		**195,872**	232,497
Dividend received from a joint venture		**20,000**	20,000
Dividend received from associates		**7,886**	5,069
Proceeds from distribution of other financial assets		**268,019**	42,092
Proceeds from disposal of other financial assets		**225,648**	89,897
Proceeds from disposal of property, plant and equipment		**156**	99,922
NET CASH USED IN INVESTING ACTIVITIES		**(3,878,035)**	(3,858,200)
FINANCING ACTIVITIES			
Dividends paid		**(2,497,337)**	(3,233,815)
Dividends paid to non-controlling interests		**(6,943)**	(98,496)
Cancellation of shares repurchased		**(277,633)**	(1,579,098)
Interest on lease liabilities		**(9,919)**	(7,636)
Interest on bank borrowings		**(1,047)**	(9)
Repayment of lease liabilities		**(138,880)**	(143,410)
Repayment of bank borrowings		**(28,000)**	(8,950)
Advances drawn on bills discounted with recourse		**548,047**	537,627
New bank borrowings raised		**21,000**	28,000
Capital contribution from non-controlling interests		**–**	2,115
Acquisition of additional interests in subsidiaries		**(103,027)**	(239,599)
Purchase of shares under share award scheme		**(140,812)**	(616,491)
Proceeds from issue of shares upon exercise of options		**22,881**	106,430
NET CASH USED IN FINANCING ACTIVITIES		**(2,611,670)**	(5,253,332)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(658,064)**	(4,576,868)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		**5,917,376**	10,490,845
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(4,814)**	3,399
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by bank balances and cash	*26*	**5,254,498**	5,917,376

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. General Information

CSPC Pharmaceutical Group Limited (the "Company") is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company is disclosed in the "Corporate Information" section of this annual report.

The Company acts as an investment holding company and its subsidiaries (hereinafter together with the Company referred to as the "Group") are principally engaged in the manufacture and sale of pharmaceutical products. Details of the subsidiaries are set out in note 43.

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

2. Application of new and Amendments to HKFRS Accounting Standards

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

In the current year, the Group has applied the following amendment to an HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendment to HKFRS Accounting Standard in the current year has no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

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

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

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

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

2. Application of new and Amendments to HKFRS Accounting Standards *(continued)*

HKFRS 18 Presentation and Disclosure in Financial Statements

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

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

3. Material Accounting Policy Information

Basis of preparation of consolidated financial statements

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

Basis of consolidation

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

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

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

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

3. Material Accounting Policy Information *(continued)*

Basis of consolidation *(continued)*

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

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

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

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

Changes in the Group's interests in existing subsidiaries

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

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU"s) (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

3. Material Accounting Policy Information *(continued)*

Goodwill *(continued)*

On disposal of the relevant CGU or any of the CGU within the group of CGUs, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

The results and assets and liabilities of associate and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. Material Accounting Policy Information *(continued)*

Investments in associates and joint ventures *(continued)*

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interest in the associate or joint venture that is not related to the Group.

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in note 5.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

3. Material Accounting Policy Information *(continued)*

Leases *(continued)*

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead accounts for the lease component and any associated non-lease components as a single lease component.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease terms.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

3. Material Accounting Policy Information *(continued)*

Leases *(continued)*

The Group as a lessee *(continued)*

Lease modifications

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Employment benefits

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payments transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the share options determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of share options that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve). At the end of the reporting period, the Group revises its estimate of the number of share options expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share-based compensation reserve.

When share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share capital. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will be transferred to accumulated profits.

3. Material Accounting Policy Information *(continued)*

Share-based payments *(continued)*

Equity-settled share-based payments transactions *(continued)*

Awarded shares granted to employees

For grants of awarded shares that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of awarded shares at the grant date and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of awarded shares that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve).

At the end of each reporting period, the Group revises its estimates of the number of awarded shares that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity (employee share-based compensation reserve).

When trustee of the share award scheme purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is deducted from total equity and is presented as treasury share reserve. No gain or loss is recognised on the transactions of the Company's own shares.

When the trustee transfers the Company's granted shares to grantees upon vesting, the related costs of the granted shares vested are reversed from the treasury share reserve and the related expense of the granted shares vested is reversed from employee share-based compensation reserve. The difference arising from such transfer is debited/credited to accumulated profits.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. Material Accounting Policy Information *(continued)*

Taxation *(continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates or joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax assets related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. Material Accounting Policy Information *(continued)*

Property, plant and equipment

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

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

When the Group makes payments for ownership interests of properties which include both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets not yet available for use that are acquired separately are not amortised but tested individually for impairment annually and carried at cost less any subsequent accumulated impairment losses.

3. Material Accounting Policy Information *(continued)*

Intangible assets *(continued)*

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination not yet available for use or with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain and loss arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

3. Material Accounting Policy Information *(continued)*

Bank deposits, balances and cash

Bank balances and cash include:

(a) cash, which comprises of cash on hand and demand deposits, and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value and restricted deposits. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of bank balance and cash as defined above.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting use of bank balances are disclosed in note 26. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

3. Material Accounting Policy Information *(continued)*

Financial instruments *(continued)*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date/settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

3. Material Accounting Policy Information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Classification and subsequent measurement of financial assets (continued)

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in other reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

3. Material Accounting Policy Information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Classification and subsequent measurement of financial assets (continued)

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade receivables, other receivables, bills receivables, amounts due from related companies and joint ventures, bank deposits, pledged and restricted bank deposits and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables and trade receivables due from related companies.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. Material Accounting Policy Information *(continued)*

Financial instruments *(continued)*

***Financial assets** (continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group has reasonable and supportable information to rebut the presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. Material Accounting Policy Information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event;
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables and trade receivables due from related companies, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. Material Accounting Policy Information *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered based on provision matrix taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and trade receivables due from related companies, where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the other reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

3. Material Accounting Policy Information *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables, bills payables, amounts due to related companies and joint ventures and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Key Sources of Estimation Uncertainty *(continued)*

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

Provision of ECL for trade receivables

Trade receivables with major customers and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are based on debtors' aging as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

As at 31 December 2025, the carrying amount of trade receivables amounting to RMB4,778,867,000 (2024: RMB5,160,672,000) were net of impairment allowance under ECL model. The provision of ECL is sensitive to changes in estimates. The information about the ECL is disclosed in note 39.

Estimated impairment assessment of intangible assets not yet available for use

For intangible assets not yet available for use, the Group would assess the assets individually for impairment annually. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the assets belong, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amounts of intangible assets not yet available for use amounted to RMB1,539,328,000 (2024: RMB1,262,135,000). The information of the assessment of impairment of intangible assets not yet available for use is disclosed in note 17.

5. Revenue and Segment Information

	2025	2024
	RMB'000	*RMB'000*
Sale of goods	**24,217,279**	28,991,423
Licence fee income	**1,788,701**	17,831
	26,005,980	29,009,254

Information reported to executive directors, being collectively the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered.

The Group's reportable segments are as follows:

(a) Finished drugs — research and development, manufacture and sale of pharmaceutical products and licence fee income;

(b) Bulk products — manufacture and sale of vitamin C, and antibiotic products in bulk powder form; and

(c) Functional food and others — manufacture and sale of functional food products (including caffeine food additives, anhydrous glucose, acarbose and vitamin C buccal tablets), provision of healthcare service and others.

Sale of goods

Revenue is recognised at a point in time upon control of the goods has transferred, being when the goods have been delivered to the customer's specific location. Following delivery, the customer bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 90 days upon delivery.

The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

As at 31 December 2025, all outstanding sales contracts are expected to be fulfilled within one year.

5. Revenue and Segment Information *(continued)*

Licence fee income

(i) Revenue recognised at a point in time

The Group provides licence of its patented intellectual property ("IP") or commercialisation rights to customers. Licence fee income is recognised at a point in time upon the customer obtains control of the IP. The consideration received comprises a fixed element (the upfront payment) and variable elements (including but not limited to milestone payments and sales-based royalties).

For licence associated with customers' right to use, upfront fee received is initially recorded as contract liabilities and recognised as revenue only when customers have ability to use the licence and variable consideration is recognised only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future.

(ii) Revenue recognised over time

The Group enters into collaboration agreements to perform research and development activities and to grant licences to customers. Revenue is recognised over time on a systematic basis that reflects the customer's receipt and consumption of the benefits, by reference to the progress towards complete satisfaction of the relevant performance obligation.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 31 December 2025

	Finished drugs *RMB'000*	Bulk products		Functional food and others *RMB'000*	Segment total *RMB'000*	Eliminations *RMB'000*	Consolidated *RMB'000*
		Vitamin C *RMB'000*	Antibiotics *RMB'000*				
Segment revenue							
Sale of goods	18,795,028	2,230,639	1,426,333	1,765,279	24,217,279	–	24,217,279
Inter-segment sales	–	4,036	142,375	54,965	201,376	(201,376)	–
Licence fee income	1,788,701	–	–	–	1,788,701	–	1,788,701
Total revenue	20,583,729	2,234,675	1,568,708	1,820,244	26,207,356	(201,376)	26,005,980
Segment profit	3,870,645	191,782	184,426	276,056	4,522,909		4,522,909
Unallocated income							487,457
Unallocated expenses							(111,209)
Share of results of associates							(42,495)
Share of results of joint ventures							(9,950)
Finance costs							(38,595)
Profit before tax							4,808,117

5. Revenue and Segment Information *(continued)*

Segment revenues and results *(continued)*

For the year ended 31 December 2024

	Finished drugs	Bulk products		Functional food and others	Segment total	Eliminations	Consolidated
		Vitamin C	Antibiotics				
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue							
Sale of goods	23,718,326	1,994,256	1,588,907	1,689,934	28,991,423	–	28,991,423
Inter-segment sales	–	36,478	183,575	174,697	394,750	(394,750)	–
Licence fee income	17,831	–	–	–	17,831	–	17,831
Total revenue	23,736,157	2,030,734	1,772,482	1,864,631	29,404,004	(394,750)	29,009,254
Segment profit	4,827,585	211,279	299,175	305,291	5,643,330		5,643,330
Unallocated income							279,966
Unallocated expenses							(211,423)
Share of results of associates							(45,922)
Share of results of joint ventures							(43,552)
Finance costs							(43,673)
Profit before tax							5,578,726

Segment profit represents the profit earned by each segment without allocation of interest income, fair value changes on structured bank deposits, fair value changes on financial assets measured at FVTPL, central administrative expenses, share of results of associates and joint ventures and finance costs. This is the measure reported to the executive directors for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

The executive directors make decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the executive directors do not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

5. Revenue and Segment Information *(continued)*

Other segment information

For the year ended 31 December 2025

	Finished drugs	Bulk products		Functional food and others	Segment total	Unallocated	Consolidated
		Vitamin C	Antibiotics				
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Depreciation and amortisation	**1,076,825**	**161,739**	**82,126**	**82,166**	**1,402,856**	**9,894**	**1,412,750**

For the year ended 31 December 2024

	Finished drugs	Bulk products		Functional food and others	Segment total	Unallocated	Consolidated
		Vitamin C	Antibiotics				
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Depreciation and amortisation	1,013,265	169,352	81,575	65,351	1,329,543	9,907	1,339,450

Geographical information

Revenue from the external customers by geographical market (irrespective of the origin of the goods) based on the location of customers is presented below:

	2025	2024
	RMB'000	*RMB'000*
Chinese Mainland	**20,825,921**	25,106,726
Other Asian regions	**1,264,466**	1,182,318
Europe	**2,429,113**	1,313,288
North America	**890,208**	853,042
Others	**596,272**	553,880
	26,005,980	29,009,254

The Group's operations are substantially based in the Chinese Mainland and majority of the Group's non-current assets are located in the Chinese Mainland. Therefore, no further analysis of geographical information is presented.

None of the Group's customers contributed over 10% of the total revenue of the Group for both years.

6. Finance Costs

	2025 ***RMB'000***	2024 *RMB'000*
Interest on discounted bills receivables	**27,629**	36,028
Interest on lease liabilities	**9,919**	7,636
Interest on bank borrowings	**1,047**	9
	38,595	43,673

7. Profit for the Year

	2025 ***RMB'000***	2024 *RMB'000*
Profit for the year has been arrived at after charging/(crediting):		
Staff costs, including directors' and chief executive's remuneration		
— salaries, wages and other benefits	**3,760,824**	4,001,063
— contribution to retirement benefit schemes	**198,362**	193,978
— (reversal of) employee share-based compensation expenses *(note a)*	**(65,948)**	210,454
Total staff costs	**3,893,238**	4,405,495
Depreciation of property, plant and equipment	**1,083,620**	1,023,305
Depreciation of right-of-use assets	**171,072**	163,768
Depreciation of investment property	**3,305**	3,305
Amortisation of intangible assets	**154,753**	149,072
Total depreciation and amortisation	**1,412,750**	1,339,450
Auditor's remuneration	**9,383**	7,461
Government grant income (included in other income) *(note 34)*	**(210,300)**	(128,772)
(Reversal of) impairment losses recognised under ECL model (included in other gains or losses)	**(9,971)**	16,304
Interest income on bank deposits and balances (included in other income)	**(195,872)**	(232,497)
Fair value (gain)/loss on financial assets measured at FVTPL (included in other gains or losses)	**(296,263)**	151,936
Fair value gain on structured bank deposits (included in other gains or losses)	**(39,241)**	(47,470)
Loss on disposal of property, plant and equipment (included in other gains or losses)	**16,472**	23,398
Net foreign exchange losses/(gains) (included in other gains or losses)	**33,909**	(19,789)

Notes:

(a) The amount mainly included employee share-based compensation expenses of RMB11,344,000 (2024: RMB12,052,000) in respect of share awards and share options granted by the Company and a reversal of employee share-based compensation expenses of RMB77,292,000 (2024: recognition of expenses of RMB198,319,000) in respect of share awards granted by the shareholders of the Company involving the existing shares of the Company held by the shareholder.

(b) Cost of inventories recognised as an expense approximated cost of sales as shown in the consolidated income statement for the years ended 31 December 2025 and 2024.

8. Income Tax Expense

	2025	2024
	RMB'000	*RMB'000*
Current taxation:		
— PRC Enterprise Income Tax ("PRC EIT")	**746,409**	1,191,896
— PRC withholding tax on dividends distributed by subsidiaries	**141,000**	253,000
— Overseas taxation	**28,644**	6,095
	916,053	1,450,991
Deferred taxation *(note 33)*	**15,674**	(211,090)
	931,727	1,239,901

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits arising in or derived from Hong Kong for both years.

The standard tax rate of the Company's PRC subsidiaries is 25% under the law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law. Certain subsidiaries of the Company are qualified as High and New Technology Enterprises, and they are subject to a preferential tax rate of 15% up to 2027.

Under the EIT Law, dividends distributed by a company established in the PRC to foreign investor with respect to profits earned from 1 January 2008 onwards are subject to a withholding tax of 10%. The tax rate will be reduced to 5% if such foreign investors meet certain conditions specified in the relevant tax regulations.

Taxation arising in other jurisdictions is calculated at the rates prevailing in relevant jurisdictions.

The Group is operating in certain jurisdictions where the Pillar Two Rules is effective. As the Group's estimated effective tax rates of such in-effect jurisdiction in which the Group operates is higher than 15%, after taking into account the adjustments under the Global Anti-base Erosion Rules based on management's best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated income statement as follows:

	2025	2024
	RMB'000	*RMB'000*
Profit before tax	**4,808,117**	5,578,726
Tax at the PRC EIT rate of 25%	**1,202,029**	1,394,682
Tax effect of expenses not deductible for tax purpose	**226,909**	279,614
Tax effect of share of results of associates	**10,624**	11,480
Tax effect of share of results of joint ventures	**2,487**	10,888
Utilisation of previously unrecognised tax losses	**(95,093)**	(84,894)
Tax effect of tax losses not recognised	**749,661**	741,671
Effect of tax relief and concessions granted to certain PRC subsidiaries	**(1,241,890)**	(1,216,250)
PRC withholding tax on dividends of subsidiaries	**77,000**	102,710
Income tax expense for the year	**931,727**	1,239,901

Details of deferred taxation and unused tax losses are set out in note 33.

9. Directors' Emoluments

The emoluments paid or payable to the directors of the Company during the year are as follows:

2025	Fees	Salaries and allowances	Employee share-based compensation expenses (i)	Performance-related bonuses	Contributions to retirement benefit schemes	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
Cai Dong Chen	58	4,620	–	9,162	426	14,266
Cai Lei (viii)	2	51	–	458	2	513
Wei Qingjie (viii)	2	20	50	458	3	533
Zhang Cuilong	58	694	–	46	137	935
Wang Zhenguo	58	694	–	46	137	935
Pan Weidong (vi)	50	587	–	–	115	752
Wang Huaiyu	58	694	–	1,832	–	2,584
Li Chunlei	58	695	–	5,497	135	6,385
Yao Bing (iv)	58	727	–	4,581	84	5,450
Cai Xin (iv)	58	696	–	46	118	918
Chen Weiping (v)	58	721	411	46	64	1,300
Qu Zhiyong (vii)	6	80	80	229	7	402
Independent non-executive directors:						
Wang Bo	144	–	–	–	–	144
Chen Chuan	144	–	–	–	–	144
Wang Hongguang	144	–	–	–	–	144
Au Chun Kwok Alan	346	–	–	–	–	346
Law Cheuk Kin Stephen	289	–	–	–	–	289
Li Quan	144	–	–	–	–	144
	1,735	10,279	541	22,401	1,228	36,184

9. Directors' Emoluments *(continued)*

2024	Fees	Salaries and allowances	Employee share-based compensation expenses (i)	Performance-related bonuses	Contributions to retirement benefit schemes	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
Cai Dong Chen	58	6,004	4,259	–	552	10,873
Zhang Cuilong	58	693	1,893	–	92	2,736
Wang Zhenguo	58	693	710	–	92	1,553
Pan Weidong	58	678	710	–	99	1,545
Wang Huaiyu	58	693	710	–	–	1,461
Li Chunlei	58	705	1,420	–	92	2,275
Wang Qingxi (ii)	23	779	1,954	–	111	2,867
Chak Kin Man (ii)	23	830	710	–	83	1,646
Jiang Hao (iii)	53	660	710	–	85	1,508
Yao Bing (iv)	34	420	871	–	48	1,373
Cai Xin (iv)	34	395	–	–	54	483
Chen Weiping (v)	4	60	41	–	4	109
Independent non-executive directors:						
Wang Bo	144	–	–	–	–	144
Chen Chuan	144	–	–	–	–	144
Wang Hongguang	144	–	–	–	–	144
Au Chun Kwok Alan	345	–	–	–	–	345
Law Cheuk Kin Stephen	288	–	–	–	–	288
Li Quan	144	–	–	–	–	144
	1,728	12,610	13,988	–	1,312	29,638

Notes:

(i) The amount represents the fair value of share options granted by the Company and share awards granted by a shareholder recognised in the consolidated income statement during the year.

(ii) Retired as executive directors on 28 May 2024.

(iii) Resigned as an executive director on 6 December 2024.

(iv) Appointed as executive directors on 29 May 2024.

(v) Appointed as an executive director on 6 December 2024.

(vi) Resigned as an executive director on 4 November 2025.

(vii) Appointed as an executive director on 21 November 2025.

(viii) Appointed as executive directors on 19 December 2025.

9. Directors' Emoluments *(continued)*

Directors' emoluments comprise payments to directors by the Group in connection with the management of the affairs of the Group.

The performance-related incentive payment was determined by the remuneration committee having regard to the performance of the Group, performance and responsibilities of individuals as well as prevailing market practices. No remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no Director has waived any emoluments in both years.

10. Five Highest Paid Employees

The five highest paid employees of the Group included three (2024: one) directors of the Company, details of whose emoluments are set out in note 9 above. The emoluments of the remaining two (2024: four) highest paid employees in 2025 are as follows:

	2025	2024
	RMB'000	*RMB'000*
Salaries, wages and other benefits	**4,066**	5,971
Contributions to retirement benefit schemes	**149**	351
Employee share-based compensation expenses	**13,269**	12,654
	17,484	18,976

The emoluments of the remaining two (2024: four) employees, including employee share-based compensation benefits, were within the following bands:

	2025	2024
HK$4,500,001 to HK$5,000,000	**1**	2
HK$5,000,001 to HK$5,500,000	**–**	1
HK$6,000,001 to HK$6,500,000	**–**	1
HK$14,000,001 to HK$14,500,000	**1**	–
	2	4

No emoluments were paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office in both years.

11. Earnings Per Share

The calculation of the basic and diluted earnings per share is as follows:

	2025	2024
Profit attributable to owners of the Company *(RMB'000)*	**3,882,108**	4,328,035
Weighted average number of ordinary shares for the purpose of basic earnings per share *(in '000)*	**11,423,692**	11,738,041
Effect of dilutive potential ordinary shares:		
Share awards *(in '000)*	**–**	2
Weighted average number of ordinary shares for the purpose of diluted earnings per share *(in '000)*	**11,423,692**	11,738,043

The weighted average number of ordinary shares for the calculation of basic earnings per share for both years have been adjusted for the shares held by the trustee pursuant to the share award scheme of the Company.

12. Dividends

	2025	2024
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
Interim dividend paid:		
2025: HK14 cents (approximately RMB12.8 cents) (2024: HK16 cents (approximately RMB14.7 cents)) per share	**1,470,541**	1,716,637
Final dividend paid:		
2024: HK10 cents (approximately RMB9.1 cents) (2023: HK14 cents (approximately RMB13 cents)) per share	**1,050,465**	1,540,544
Less: dividend for shares held by share award scheme	**(23,669)**	(23,366)
	2,497,337	3,233,815

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of HK15 cents per share has been proposed by the Directors and is subject to approval by the shareholders in the forthcoming general meeting. This proposed dividend has not yet been recognised as a liability in the consolidated financial statements.

13. Property, Plant and Equipment

	Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST						
At 1 January 2024	5,388,582	8,470,692	698,757	24,484	1,246,305	15,828,820
Additions	49,814	273,710	28,253	6,078	1,746,162	2,104,017
Transfers	186,365	512,431	58,904	–	(757,700)	–
Disposals	(60,726)	(93,332)	(34,080)	(3,346)	–	(191,484)
Exchange adjustments	964	211	26	20	–	1,221
At 31 December 2024	**5,564,999**	**9,163,712**	**751,860**	**27,236**	**2,234,767**	**17,742,574**
Additions	**54,416**	**149,434**	**41,119**	**677**	**1,654,637**	**1,900,283**
Transfers	**371,207**	**523,593**	**76,232**	**–**	**(971,032)**	**–**
Disposals	**(15,659)**	**(160,823)**	**(18,222)**	**(4,195)**	**–**	**(198,899)**
Transfer to investment properties	**(18,743)**	**–**	**–**	**–**	**–**	**(18,743)**
Exchange adjustments	**(1,456)**	**(1,342)**	**(32)**	**(8)**	**–**	**(2,838)**
At 31 December 2025	**5,954,764**	**9,674,574**	**850,957**	**23,710**	**2,918,372**	**19,422,377**
DEPRECIATION						
At 1 January 2024	1,503,291	3,574,331	316,317	18,282	–	5,412,221
Provided for the year	251,465	670,867	98,744	2,229	–	1,023,305
Disposals	(1,769)	(34,914)	(30,500)	(981)	–	(68,164)
Exchange adjustments	631	110	22	7	–	770
At 31 December 2024	**1,753,618**	**4,210,394**	**384,583**	**19,537**	**–**	**6,368,132**
Provided for the year	**235,651**	**736,135**	**110,279**	**1,555**	**–**	**1,083,620**
Disposals	**(13,408)**	**(150,096)**	**(16,584)**	**(2,183)**	**–**	**(182,271)**
Exchange adjustments	**(194)**	**(42)**	**(27)**	**(3)**	**–**	**(266)**
At 31 December 2025	**1,975,667**	**4,796,391**	**478,251**	**18,906**	**–**	**7,269,215**
CARRYING VALUES						
At 31 December 2025	**3,979,097**	**4,878,183**	**372,706**	**4,804**	**2,918,372**	**12,153,162**
At 31 December 2024	3,811,381	4,953,318	367,277	7,699	2,234,767	11,374,442

13. Property, Plant and Equipment *(continued)*

The Group has obtained the formal title for all buildings in the PRC except for buildings with carrying amount of RMB526,567,000 (2024: RMB307,957,000) being in the process of obtaining.

The above items of property, plant and equipment, other than construction in progress, after taking account their residual values, are depreciated on a straight-line basis at the following useful life or rates per annum:

Buildings	Over the shorter of the lease term or 20 to 25 years
Plant and machinery	5% – 10%
Furniture, fixtures and equipment	20% – 33.33%
Motor vehicles	20%

14. Right-of-use Assets

	Land and buildings *RMB'000*
CARRYING AMOUNT	
As at 1 January 2024	1,226,293
Additions	64,751
Depreciation provided for the year	(163,768)
Exchange adjustments	1,182
As at 31 December 2024	**1,128,458**
Additions	**380,115**
Depreciation provided for the year	**(171,072)**
Exchange adjustments	**(1,248)**
As at 31 December 2025	**1,336,253**

	2025 ***RMB'000***	2024 *RMB'000*
Total cash outflows for leases	**149,777**	254,626

The Group has entered into contracts to lease certain land and buildings for its operations for a fixed term of one year to twenty years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

In addition, lease liabilities of RMB312,386,000 (2024: RMB115,126,000) are recognised with related right-of-use assets of RMB302,193,000 as at 31 December 2025 (2024: RMB105,866,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

15. Investment Properties

	RMB'000
COST	
At 1 January 2024 and 31 December 2024	**72,653**
Transfer from property, plant and equipment	**18,743**
At 31 December 2025	**91,396**
DEPRECIATION	
At 1 January 2024	13,221
Provided for the year	3,305
At 31 December 2024	**16,526**
Provided for the year	**3,305**
At 31 December 2025	**19,831**
CARRYING VALUES	
At 31 December 2025	**71,565**
At 31 December 2024	56,127

The investment property is depreciated on a straight-line basis over the shorter of lease terms of the leasehold land or 5% per annum.

The fair value of the investment properties at 31 December 2025 was approximately RMB129,729,000 (2024: RMB110,986,000). The fair value was determined by the Directors with reference to recent market evidence of transaction prices for similar properties in similar locations and conditions. In estimating the fair value at level 3 hierarchy of the property, the highest and best use of the property is its current use.

16. Goodwill

	RMB'000
COST	
At 1 January 2024, 31 December 2024 and 31 December 2025	**234,904**

For the purpose of impairment testing, goodwill has been allocated to four individual CGUs as at 31 December 2025 (2024: four). The carrying amount of goodwill allocated to these units is as follows:

	2025	2024
	RMB'000	*RMB'000*
Ouyi Group *(note a)*	**82,172**	82,172
Yong Shun Group *(note b)*	**48,212**	48,212
Zhifan Group *(note c)*	**71,608**	71,608
Others *(note a)*	**32,912**	32,912
	234,904	234,904

Notes:

(a) The recoverable amounts of Ouyi (as defined in note 43) and its subsidiaries (collectively referred to as "Ouyi Group"), and others have been determined based on value-in-use calculations with certain key assumptions. The calculations use cash flow projections based on financial forecasts approved by management and pre-tax discount rates of 14% to 16% (2024: 14% to 16%). Cash flows beyond the forecasted period are extrapolated using a steady 2% growth rate (2024: 2%). These growth rates are based on the relevant industry growth forecasts and do not exceed the average long-term growth rate for the relevant industry. Other key assumptions include forecast sales based on past performance and management's expectation of the market development. The Directors believe that any reasonably possible changes in any of these assumptions would not cause the carrying amount to exceed the recoverable amount.

(b) The recoverable amount of Yong Shun Technology Development Limited ("Yong Shun") and its subsidiaries (collectively referred to as "Yong Shun Group") has been determined based on value-in-use calculation with certain key assumptions. The calculation uses cash flow projection based on financial forecast approved by management and pre-tax discount rate of 17% (2024: 17%). Cash flows beyond the forecasted period are extrapolated using a steady 2% growth rate (2024: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions include forecast sales based on management's expectations of the market development. The Directors believe that any reasonably possible changes in any of these assumptions would not cause the carrying amount to exceed the recoverable amount.

(c) The recoverable amount of Zhuhai Zhifan Enterprise Management Consultancy Centre (Limited Partnership) ("Zhuhai Zhifan") and its subsidiary (collectively referred to as "Zhifan Group") has been determined based on value-in-use calculation with certain key assumptions. The calculation uses cash flow projection based on financial forecast approved by management and pre-tax discount rate of 17% (2024: 17%). Cash flows beyond the forecasted period are extrapolated using a steady 2% growth rate (2024: 2%). This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions include forecast sales based on management's expectations of the market development. The Directors believe that any reasonably possible changes in any of these assumptions would not cause the carrying amount to exceed the recoverable amount.

The Directors considered that there was no impairment of any of its CGUs containing goodwill for the years ended 31 December 2024 and 2025.

17. Intangible Assets

	Development costs *RMB'000*	Research and development projects *RMB'000*	Product licences and patents *RMB'000*	Total *RMB'000*
COST				
At 1 January 2024	204,616	1,243,688	1,297,185	2,745,489
Additions	41,676	–	518,404	560,080
Written-off	(274)	–	–	(274)
Exchange adjustments	5	–	476	481
At 31 December 2024	**246,023**	**1,243,688**	**1,816,065**	**3,305,776**
Additions	**28,208**	**–**	**292,040**	**320,248**
Exchange adjustments	**(3)**	**–**	**(718)**	**(721)**
At 31 December 2025	**274,228**	**1,243,688**	**2,107,387**	**3,625,303**
AMORTISATION AND IMPAIRMENT				
At 1 January 2024	152,082	57,888	336,970	546,940
Provided for the year	2,236	88,411	58,425	149,072
Written-off	(96)	–	–	(96)
Exchange adjustments	1	–	353	354
At 31 December 2024	**154,223**	**146,299**	**395,748**	**696,270**
Provided for the year	**3,088**	**89,184**	**62,481**	**154,753**
Exchange adjustments	**(1)**	**–**	**(590)**	**(591)**
At 31 December 2025	**157,310**	**235,483**	**457,639**	**850,432**
CARRYING VALUES				
At 31 December 2025	**116,918**	**1,008,205**	**1,649,748**	**2,774,871**
At 31 December 2024	91,800	1,097,389	1,420,317	2,609,506

Note:

Development costs mainly represent costs internally generated or techniques acquired from third parties for the development of products and production technology while the research and development projects are acquired through business combination. The product licences and patents represent consideration paid by the Group for obtaining product licences and patents of drugs or drug candidates.

17. Intangible Assets *(continued)*

Except for certain intangible assets not yet available for use, the above intangible assets having finite useful lives are amortised on a straight-line basis over their estimated useful lives:

Development costs	1 to 10 years
Research and development projects	3 to 15 years
Product licences and patents	3 to 10 years

The recoverable amount of intangible assets not yet available for use with carrying amount of RMB1,539,328,000 (2024: RMB1,262,135,000), is estimated individually.

The recoverable amount of the development costs and research and development projects have been determined based on value-in-use calculations with certain key assumptions. The calculations use cash flow projections based on financial forecasts approved by management and pre-tax discount rates of 16% to 18% (2024: 15% to 17%). Cash flows beyond the forecasted period are extrapolated using a steady 2% growth rate (2024: 2%). These growth rates are based on the relevant industry growth forecasts and do not exceed the average long-term growth rate for the relevant industry. Other key assumptions include forecast sales based on past performance and management's expectation of the market development.

The management determined that there is no impairment on the development costs and research and development projects not yet available for use and believes that any reasonably possible change in any of the key assumptions would not cause the recoverable amounts to be lower than their carrying amounts.

18. Interests in Associates

	2025	2024
	RMB'000	*RMB'000*
Cost of investments in associates	**914,789**	922,675
Share of post-acquisition reserves, net of dividend received	**(160,052)**	(107,581)
	754,737	815,094

The associates are accounted for using equity method in the consolidated financial statements. The interests in associate included listed investments with a carrying amount of RMB154,161,000 (2024: RMB165,102,000) and a fair value of approximately RMB391,790,000 (2024: RMB414,703,000) which was determined based on the quoted market bid price available on the stock exchange of Hong Kong multiplied by the quantity of shares held by the Group. As at 31 December 2024 and 2025, there is no other individual associate material to the Group.

18. Interests in Associates *(continued)*

Aggregate information of associates that are not individually material:

	2025	2024
	RMB'000	*RMB'000*
The Group's share of losses and total comprehensive expense	**(42,495)**	(45,922)

19. Interests in Joint Ventures

	2025	2024
	RMB'000	*RMB'000*
Cost of investments in joint ventures	**748,611**	719,611
Share of post-acquisition reserves, net of dividend received	**(37,762)**	(7,812)
	710,849	711,799

The joint ventures are accounted for using equity method in the consolidated financial statements. As at 31 December 2024 and 2025, there is no individual joint venture material to the Group.

Aggregate information of joint ventures that are not individually material:

	2025	2024
	RMB'000	*RMB'000*
The Group's share of losses and total comprehensive expense	**(9,950)**	(43,552)
Unrecognised share of losses of the joint ventures for the year	**(18,655)**	(3,126)
Cumulative unrecognised share of losses of the joint ventures	**(76,503)**	(57,848)

20. Other Financial Assets

	2025	2024
	RMB'000	*RMB'000*
Unlisted investments in partnerships and funds	**1,566,220**	1,578,184
Listed equity securities	**269,975**	519,895
Unlisted equity securities	**415,081**	402,146
	2,251,276	2,500,225
Analysed as:		
Financial assets measured at FVTPL	**1,680,295**	1,789,816
Financial assets measured at FVTOCI *(note)*	**570,981**	710,409
	2,251,276	2,500,225
Analysed as:		
Current	**–**	166,105
Non-current	**2,251,276**	2,334,120
	2,251,276	2,500,225

Note:

The above investments are mainly focused on the healthcare industry. The Directors have elected to designate these investments to be measured at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The Directors consider that the Group does not have any control nor significant influence to affect the variable returns through its investment in those enterprises.

In the current year, the Group received RMB268,019,000 (2024: RMB42,092,000) upon distribution by the partnerships and funds.

21. Inventories

	2025	2024
	RMB'000	*RMB'000*
Raw materials	**936,177**	830,887
Work in progress	**277,077**	204,304
Finished goods	**1,877,482**	2,094,823
	3,090,736	3,130,014

The inventories are net of a provision of RMB1,539,000 as at 31 December 2025 (2024: RMB4,295,000).

22. Trade Receivables

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**4,827,337**	5,219,113
Less: allowance for ECL	**(48,470)**	(58,441)
	4,778,867	5,160,672

As at 1 January 2024, trade receivables (net of allowance under ECL model) from contracts with customers amounted to RMB5,869,223,000.

The Group allows a general credit period of 90 days to its trade customers. The following is an ageing analysis of trade receivables (net of allowance under ECL model) at the end of the reporting period presented based on the invoice dates which approximated the respective revenue recognition dates:

	2025	2024
	RMB'000	*RMB'000*
0 to 90 days	**4,228,179**	4,322,517
91 to 180 days	**484,326**	672,925
181 to 365 days	**59,095**	147,431
More than 365 days	**7,267**	17,799
	4,778,867	5,160,672

Trade receivables with aggregate carrying amount of RMB550,688,000 (2024: RMB838,155,000) are past due as at the reporting date. Out of the past due balances, RMB66,362,000 (2024: RMB165,230,000) has been past due 90 days or more and is not considered as in default because there has not been significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Details of impairment assessment of trade receivables are set out in note 39.

23. Deposits, Prepayments and Other Receivables

	2025	2024
	RMB'000	*RMB'000*
Prepayments for raw materials and research and development expenses	**211,899**	207,080
Deposits paid for acquisition of property, plant and equipment and right-of-use assets	**556,488**	576,100
Other taxes recoverable	**761,464**	362,346
Utility deposits	**133,949**	85,560
Others	**400,082**	232,073
	2,063,882	1,463,159
Analysed as:		
Current	**1,507,394**	887,059
Non-current	**556,488**	576,100
	2,063,882	1,463,159

24. Bills Receivables

The bills receivables of the Group are with a maturity period of less than 365 days (2024: less than 365 days) and not yet due at the end of the reporting period. The management considers the default risk is low based on historical information, experience and forward-looking information that is available without undue cost of effort.

As at 31 December 2025, the amount include RMB2,506,687,000 (2024: RMB2,421,294,000) of bills receivables measured at FVTOCI.

As at 31 December 2025, bills receivables of the Group of RMB307,723,000 (2024: RMB364,204,000) were discounted to banks on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount and has recognised the cash received of RMB307,723,000 (2024: RMB364,204,000) from the discount of bills receivables as borrowings as disclosed in note 30.

As at 31 December 2025, bills receivables of the Group of RMB490,161,000 (2024: RMB412,458,000) were endorsed to suppliers on a full recourse basis. As the Group has not transferred the significant risks and rewards, it continues to recognise the full carrying amount and has recognised the trade payable of RMB490,161,000 (2024: RMB412,458,000) as included in note 27.

25. Structured Bank Deposits

The structured bank deposits carry guaranteed return up to 2.55% (2024: 2.90%) per annum and have a total expected return up to 4.55% (2024: 3.00%) per annum, depending on the market prices of the underlying commodities quoted in the market as specified in the terms of relevant deposits.

The structured bank deposits are designated at FVTPL on initial recognition as they contain non-closely related embedded derivatives.

26. Bank Deposits, Balances and Cash

	2025	2024
	RMB'000	*RMB'000*
Time deposits	**4,208,538**	3,220,000
Pledged and restricted bank balances	**18,220**	49,823
Bank balances and cash	**5,254,498**	5,917,376
	9,481,256	9,187,199
Analysed as:		
Current	**6,089,565**	6,777,199
Non-current	**3,391,691**	2,410,000
	9,481,256	9,187,199

The bank deposits and balances carry interest at market rates ranging from 0.60% to 4.55% (2024: 0.20% to 4.12%) per annum.

The pledged and restricted bank balances represent amounts required to be placed in banks for securing short-term banking facilities of the Group, and are classified as current assets.

27. Trade Payables

The following is an ageing analysis of trade payables at the end of the reporting period presented based on the invoice dates:

	2025	2024
	RMB'000	*RMB'000*
0 to 90 days	**1,988,116**	1,360,917
91 to 180 days	**154,663**	170,476
More than 180 days	**179,225**	135,854
	2,322,004	1,667,247

The general credit period on purchases of goods is up to 90 days (2024: 90 days).

28. Other Payables

	2025	2024
	RMB'000	*RMB'000*
Other tax payable	**340,226**	196,717
Payables arising from construction and acquisition of property, plant and equipment	**1,015,294**	1,033,790
Deferred government grants *(note 34)*	**797,190**	661,956
Salaries, wages and staff welfare payable	**520,627**	509,439
Selling expense payable	**2,455,746**	2,925,497
Research and development expense payable	**296,742**	189,807
Others	**471,527**	632,395
	5,897,352	6,149,601
Analysed as:		
Current	**5,334,111**	5,741,793
Non-current	**563,241**	407,808
	5,897,352	6,149,601

29. Bills Payables

The bills payables of the Group are aged within 365 days (2024: 365 days) and not yet due at the end of the reporting period. As at 31 December 2025, no bank deposits (2024: RMB43,752,000) have been pledged to banks for the guarantee of bills payables.

30. Bank Borrowings

	2025	2024
	RMB'000	*RMB'000*
Discount of bills receivables *(note a)*	**307,723**	364,204
RMB bank loan *(note b)*	**21,000**	28,000
	328,723	392,204

The carrying amounts of the above borrowings are repayable within one year and classified as current liabilities.

Notes:

(a) The amount represents borrowings secured by the bill receivables discounted to banks with recourse and the amount is repayable within one year.

During the year ended 31 December 2025, the Group discounted bills receivables with recourse of RMB548,047,000 (2024: RMB537,627,000), net of interest.

(b) The bank loan carries fixed interest rate of 1.95% (31 December 2024: 1.95%) per annum.

31. Contract Liabilities

	2025	2024
	RMB'000	*RMB'000*
Advances from customers	**233,743**	283,901
Upfront fee received in advance	**1,279,640**	–
	1,513,383	283,901
Analysed as:		
Current	**662,247**	283,901
Non-current	**851,136**	–
	1,513,383	283,901

As at 1 January 2024, contract liabilities amounted to HK$326,205,000.

Contract liabilities represent deposits received by the Group in advance of delivery of products and upfront fee received for licence associated with customers' right to use.

During the year ended 31 December 2025, revenue recognised in the current year relating to contract liabilities at the beginning of the year for advances from customers and upfront fee received in advance were HK$283,901,000 and HK$Nil (2024: HK$326,205,000 and HK$Nil) respectively.

32. Lease Liabilities

	2025	2024
	RMB'000	*RMB'000*
The lease liabilities are payable as follows:		
Within one year	**131,693**	58,991
Within a period of more than one year but not more than two years	**132,071**	20,913
Within a period of more than two years but not more than five years	**48,622**	30,951
Within a period of more than five years	**–**	4,271
	312,386	115,126
Less: Amount due for settlement within one year shown under current liabilities	**(131,693)**	(58,991)
Amount due for settlement after one year shown under non-current liabilities	**180,693**	56,135

The weighted average incremental borrowing rate applied to lease liabilities was 3.48% (2024: 4.35%) per annum.

33. Deferred Taxation

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025	2024
	RMB'000	*RMB'000*
Deferred tax assets	**211,505**	250,297
Deferred tax liabilities	**(374,861)**	(424,731)
	(163,356)	(174,434)

The following are the major deferred tax assets/(liabilities) recognised and their movements:

	Inventories	Property, plant and equipment	Right-of-use assets	Lease liabilities	Other intangible assets	Withholding tax on undistributed profits	Fair value change on financial assets	Research and development expenses	Unutilised tax losses	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	21,854	(45,183)	(76,289)	64,171	(145,162)	(306,090)	(33,225)	50,708	67,720	13,429	(388,067)
Credit/(charge) to profit or loss	9,792	6,930	37,922	(35,710)	11,027	148,000	8,183	(7,075)	(27,375)	59,396	211,090
Credit to other comprehensive income	–	–	–	–	–	–	2,507	–	–	–	2,507
Exchange adjustments	7	–	(296)	320	–	–	–	–	–	5	36
At 31 December 2024	**31,653**	**(38,253)**	**(38,663)**	**28,781**	**(134,135)**	**(158,090)**	**(22,535)**	**43,633**	**40,345**	**72,830**	**(174,434)**
(Charge)/credit to profit or loss	**(10,620)**	**6,494**	**(45,850)**	**49,664**	**11,582**	**64,000**	**(13,760)**	**(7,075)**	**(34,565)**	**(35,544)**	**(15,674)**
Credit to other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**27,082**	**–**	**–**	**–**	**27,082**
Exchange adjustments	**(283)**	**–**	**311**	**(349)**	**–**	**–**	**–**	**–**	**–**	**(9)**	**(330)**
At 31 December 2025	**20,750**	**(31,759)**	**(84,202)**	**78,096**	**(122,553)**	**(94,090)**	**(9,213)**	**36,558**	**5,780**	**37,277**	**(163,356)**

At the end of the reporting period, the Group had unused tax losses of approximately RMB10,848,148,000 (2024: RMB8,592,091,000) available for offset against future profits. Deferred tax asset has been recognised in respect of approximately RMB38,764,000 (2024: RMB268,971,000) of such losses. No deferred tax asset has been recognised in respect of the remaining approximately RMB10,809,384,000 (2024: RMB8,323,120,000) due to the unpredictability of future profit streams.

The unrecognised unused tax losses for the PRC subsidiaries of RMB9,373,066,000 (2024: RMB6,804,172,000) will be expired in one to ten years for offsetting against future taxable profits. Tax losses of RMB93,245,000 (2024: RMB89,764,000) have been forfeited during the year.

At the end of reporting period, the subsidiaries in the US had net operating loss of RMB1,436,318,000 (2024: RMB1,249,977,000) carried forward for federal income tax purposes which is available for offsetting against future taxable profits. As at 31 December 2025 and 2024, all tax losses may carry forward indefinitely under the Tax Cuts and Jobs Act but subject to certain limitations.

33. Deferred Taxation *(continued)*

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to RMB33,612,516,000 (2024: RMB28,904,490,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

There was no other significant unrecognised temporary differences for the year or at the end of the reporting period.

34. Deferred Government Grants

	2025	2024
	RMB'000	*RMB'000*
Current:		
— Other subsidies *(note a)*	**233,949**	254,148
Non-current:		
— Acquisition of property, plant and equipment *(note b)*	**563,241**	407,808
Total (included in other payables in note 28)	**797,190**	661,956

Notes:

(a) Other subsidies are generally provided for the development of pharmaceutical products or improvement of production efficiency. Such amounts are included in other payables until the conditions attaching to the grants have been fulfilled. During the year, the Group recognised income of RMB156,871,000 (2024: RMB91,977,000).

(b) Represents subsidies received for the acquisition of plant and machinery and will be transferred to profit or loss over the useful lives of the related assets upon the conditions attaching to the grants have been fulfilled. During the year, the Group recognised income of RMB53,429,000 (2024: RMB36,795,000).

35. Share Capital

	Number of shares	**Share capital**
		RMB'000
Issued and fully paid		
At 1 January 2024	11,903,219,732	10,899,412
Repurchased and cancelled during the year	(284,418,000)	–
Exercise of share options	19,500,000	133,340
At 31 December 2024	**11,638,301,732**	**11,032,752**
Repurchased and cancelled during the year	**(120,050,000)**	**–**
Exercise of share options	**4,200,000**	**28,677**
At 31 December 2025	**11,522,451,732**	**11,061,429**

35. Share Capital *(continued)*

During the year ended 31 December 2024, the Company repurchased 340,168,000 shares on The Stock Exchange of Hong Kong Limited for a total aggregate consideration (before transaction expenses) of HK$1,721,069,000. Of the shares repurchased, 284,418,000 shares were cancelled during the year and 55,750,000 shares were cancelled in January 2025.

During the year ended 31 December 2025, the Company further repurchased and cancelled an aggregate of 64,300,000 of its own ordinary shares through the Stock Exchange, for a total consideration (before expenses) of HK$299,515,000 (equivalent to RMB277,112,000).

The details of the repurchase of the Company's own ordinary shares through the Stock Exchange is disclosed under the section headed "Purchase, Sale or Redemption of the Company's Listed Securities" of the Director's Report.

36. Long Term Incentive Programs

(a) Share option scheme

The share option scheme of the Company (the "Share Option Scheme") is for the purpose of providing the Company with a flexible means of giving incentive to eligible participants. Participants include any director, employee, business consultant, professional and other adviser of the Group. The Share Option Scheme was adopted on 9 December 2015 and has expired on 8 December 2025.

The maximum number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme shall not in aggregate exceed 591,101,840 shares, being 10% of the shares of the Company in issue at adoption the date of the Share Option Scheme. The maximum entitlement for any one participant is that the total number of shares issued or to be issued upon exercise of the share options granted to each participant in any twelve-month period shall not exceed 1% of the total number of shares in issue.

Share options granted have to be taken up within an acceptable period from the date of offer to such date as the Board may determine and specify in the letter of offer upon payment of HK$1. The subscription price for option granted is determined by the Board and shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the offer date which must be a business day; (ii) and the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and (iii) the nominal value of a share. Share options granted are exercisable for a period to be notified by the Board to each grantee and such period shall expire not later than 10 years from the date of grant.

During the year ended 31 December 2025 and 2024, no share option was granted under the Share Option Scheme. As at 31 December 2024, the number of share options available for being further granted was 541,101,840. The Share Option Scheme has expired on 8 December 2025 and no more share options may be granted under the Share Option Scheme since then.

36. Long Term Incentive Programs *(continued)*

(a) Share option scheme *(continued)*

The following table disclose the movements in the number of share options during the current and prior years:

Year ended 31 December 2025

				Number of share options				
Grantees	**Date of grant**	**Exercise price**	**Exercise period**	**As at 1 January 2025**	**Granted during the year**	**Exercised during the year**	**Cancelled/ lapsed during the year**	**As at 31 December 2025**
Directors	**4 September 2023**	**HK$5.98**	**4 September 2023 to 3 September 2033**	**20,500,000**	**–**	**(1,500,000)**	**(19,000,000)**	**–**
Employees (former directors)	**4 September 2023**	**HK$5.98**	**4 September 2023 to 3 September 2033**	**10,000,000**	**–**	**(2,700,000)**	**(6,000,000)**	**1,300,000**
				30,500,000	**–**	**(4,200,000)**	**(25,000,000)**	**1,300,000**

Year ended 31 December 2024

				Number of share options				
Grantees	Date of grant	Exercise price	Exercise period	As at 1 January 2024	Granted during the year	Exercised during the year	Cancelled/ lapsed during the year	As at 31 December 2024
Directors	4 September 2023	HK$5.98	4 September 2023 to 3 September 2033	41,000,000	–	(19,000,000)	–	22,000,000
Employees (former directors)	4 September 2023	HK$5.98	4 September 2023 to 3 September 2033	9,000,000	–	(500,000)	–	8,500,000
				50,000,000	–	(19,500,000)	–	30,500,000

Notes:

(a) 50% of the share options granted on 4 September 2023 have been vested on 1 April 2024. The remaining 50% were lapsed on 1 April 2025 as certain vesting conditions were not fulfilled.

(b) In respect of the share options exercised during the year ended 31 December 2025, the weighted average closing price of the Company's share immediately before the date on which the options were exercised was HK$8.49 (2024: HK$5.94).

(c) The share options outstanding as at 31 December 2025 had a weighted average remaining contractual life of 8 years (2024: 9 years).

During the year, the Group recognised share-based compensation expense of nil (2024: RMB11,831,000) in relation to share options granted by the Company.

36. Long Term Incentive Programs *(continued)*

(b) Share award scheme

The share award scheme of the Company (the "Share Award Scheme") is for the purpose of providing the selected participants with an opportunity to acquire a proprietary interest in the Company; encouraging and retaining such individuals to work with the Company; and providing additional incentives to them to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of the selected participants directly to the shareholders through ownership of shares of the Company. Participants include any director, employee, officer, agent or consultant of the Group. The Share Award Scheme was adopted on 20 August 2018 and will expire on 19 August 2028.

The terms of the Share Award Scheme were amended on 21 May 2024 to the effect that the Board may only instruct the trustee to purchase existing shares of the Company on-market to satisfy share awards granted under the Share Award Scheme, such that the Share Award Scheme has become a share scheme that is funded only by the existing shares of the Company.

The maximum number of shares which may be purchased from the market or issued under the Share Award Scheme shall not in aggregate exceed 124,860,368 shares, being 2% of the shares of the Company in issue as at the adoption date of the Share Award Scheme. The maximum number of shares which may be awarded to a selected participant at any one time or in aggregate under the Share Award Scheme must not exceed 31,215,092 shares, being 0.5% of the shares of the Company in issue as at the adoption date of the Share Award Scheme.

The awarded shares held by the trustee of the Share Award Scheme shall be vested in the selected participants in accordance with the vesting conditions or vesting schedules as set out in the grant notice. Awarded shares which do not vest will be forfeited and may be re-granted to other participants selected by the Board.

During the year, a total of 9,000,000 (2024: 300,000) share awards were granted under the Share Award Scheme.

As at 31 December 2025, the number of share awards available for being further granted under the Share Award Scheme was 108,038,368 (1 January 2025: 117,038,368). As at 31 December 2025, there were 117,000,000 shares of the Company held by the trustee of the Share Award Scheme (2024: 100,000,000 shares).

36. Long Term Incentive Programs *(continued)*

(b) Share award scheme *(continued)*

The following tables disclose the movements in the number of awarded shares during the current and prior years:

Year ended 31 December 2025

			Number of awarded shares				
Grantees	**Date of grant**	**Vesting period**	**As at 1 January 2025**	**Granted during the year**	**Vested during the year**	**Cancelled/ lapsed during the year**	**As at 31 December 2025**
Employees	**22 April 2024**	**22 April 2024 to 21 April 2027**	**300,000**	**–**	**–**	**–**	**300,000**
	19 September 2025	**19 September 2025 to 30 January 2029**	**–**	**9,000,000**	**–**	**–**	**9,000,000**
Total			**300,000**	**9,000,000**	**–**	**–**	**9,300,000**

Year ended 31 December 2024

			Number of awarded shares				
Grantees	Date of grant	Vesting period	As at 1 January 2024	Granted during the year	Vested during the year	Cancelled/ lapsed during the year	As at 31 December 2024
Employees	15 January 2019	15 January 2019 to 14 January 2024	329,000	–	(316,000)	(13,000)	–
	16 December 2021	16 December 2021 to 14 January 2024	329,000	–	(316,000)	(13,000)	–
	22 April 2024	22 April 2024 to 21 April 2027	–	300,000	–	–	300,000
Total			658,000	300,000	(632,000)	(26,000)	300,000

Notes:

(a) The weighted average closing price of the Company's share immediately before the date on which the awarded shares were vested was HK$6.54 per share for the year ended 31 December 2024.

(b) The closing price of the Company's shares immediately before the date on which the share awards were granted was HK$10.14 (2024: HK$6.00) per share. The fair value of the share awards at the date of grant was HK$8.00 (2024: HK$6.00) per share, which was measured based on the closing price of the Company's shares at the date of grant and adjusted by the fair value of dividends during the vesting period as the grantees are not entitled to dividends before vesting.

(c) The shares were awarded and vested for no consideration.

During the year, the Group recognised share-based compensation expense of RMB11,344,000 (2024: RMB221,000) in relation to share awards granted by the Company.

36. Long Term Incentive Programs *(continued)*

(c) Share awards granted by a shareholder

Key Honesty Limited ("Key Honesty"), a shareholder of the Company indirectly and wholly owned by Mr. Cai Dong Chen, Chairman of the Company, has granted share awards involving the existing shares of the Company held by Key Honesty to selected employees of the Group in 2022. The awarded shares will be vested and transferred in batches from the third to fifth year after the grant at a transfer price of HK$2.95 per share subject to the fulfilment of certain conditions. During the year, the Group recognised a reversal of share-based compensation expense of RMB77,292,000 (2024: a share-based compensation expense of RMB198,319,000) in relation to the share awards granted by Key Honesty.

The following tables disclose the movements in the number of awarded shares during the current and prior years:

Year ended 31 December 2025

			Number of awarded shares				
Grantees	**Date of grant**	**Vesting period**	**As at 1 January 2025**	**Granted during the year**	**Vested during the year**	**Cancelled/ lapsed during the year**	**As at 31 December 2025**
Employees	**1 April 2022**	**1 April 2022 to 1 April 2025**	**54,045,000**	**–**	**(37,845,000)**	**(16,200,000)**	**–**
	1 April 2022	**1 April 2022 to 1 April 2026**	**54,045,000**	**–**	**–**	**(16,200,000)**	**37,845,000**
	1 April 2022	**1 April 2022 to 1 April 2027**	**72,060,000**	**–**	**–**	**(21,600,000)**	**50,460,000**
	14 September 2022	**14 September 2022 to 14 September 2025**	**780,000**	**–**	**(450,000)**	**(330,000)**	**–**
	14 September 2022	**14 September 2022 to 14 September 2026**	**780,000**	**–**	**–**	**(330,000)**	**450,000**
	14 September 2022	**14 September 2022 to 14 September 2027**	**1,040,000**	**–**	**–**	**(440,000)**	**600,000**
Total			**182,750,000**	**–**	**(38,295,000)**	**(55,100,000)**	**89,355,000**

Year ended 31 December 2024

			Number of awarded shares				
Grantees	Date of grant	Vesting period	As at 1 January 2024	Granted during the year	Vested during the year	Cancelled/ lapsed during the year	As at 31 December 2024
Employees	1 April 2022	1 April 2022 to 1 April 2025	57,585,000	–	–	(3,540,000)	54,045,000
	1 April 2022	1 April 2022 to 1 April 2026	57,585,000	–	–	(3,540,000)	54,045,000
	1 April 2022	1 April 2022 to 1 April 2027	76,780,000	–	–	(4,720,000)	72,060,000
	14 September 2022	14 September 2022 to 14 September 2025	1,770,000	–	–	(990,000)	780,000
	14 September 2022	14 September 2022 to 14 September 2026	1,770,000	–	–	(990,000)	780,000
	14 September 2022	14 September 2022 to 14 September 2027	2,360,000	–	–	(1,320,000)	1,040,000
Total			197,850,000	–	–	(15,100,000)	182,750,000

37. Capital and Other Commitments

At the end of the reporting period, the Group had the following capital and other commitments:

	2025	2024
	RMB'000	*RMB'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	**1,765,397**	2,288,183
Commitments arising from unlisted equity investments in partnerships	**565,099**	615,917

38. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the bank borrowings as disclosed in note 30 and amounts due to related companies and joint ventures in note 41, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, accumulated profits, other reserves and non-controlling interests.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt and the repayment of existing debt.

39. Financial Instruments

39a. Categories of financial instruments

	2025	2024
	RMB'000	*RMB'000*
Financial assets		
FVTPL		
— other financial assets	**1,680,295**	1,789,816
— structured bank deposits	**2,775,915**	1,307,007
FVTOCI		
— other financial assets	**570,981**	710,409
— bills receivables	**2,506,687**	2,421,294
Amortised cost	**15,956,435**	16,581,303
Financial liabilities		
Amortised cost	**8,174,988**	8,146,776

39b. Financial risk management objectives and policies

The major financial instruments of the Group include trade receivables, other receivables, bills receivables, amounts due from related companies and joint ventures, other financial assets, structured bank deposits, bank deposits, pledged and restricted bank deposits, balances and cash, trade payables, other payables, bills payables, amounts due to related companies and joint ventures, lease liabilities and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

(i) Currency risk

The Group mainly operates in the PRC with most of the transactions denominated and settled in RMB. However, several subsidiaries of the Company have foreign currency sales, mainly denominated in United States Dollars ("US$"), and bank balances and cash denominated in US$ and HK$, which expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, management will monitor foreign exchange exposure closely and consider the use of hedging instruments should the need arise.

39. Financial Instruments *(continued)*

39b. Financial risk management objectives and policies *(continued)*

***Market risk** (continued)*

(i) Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
HK$	**–**	–	**159,259**	190,604
US$	**–**	–	**2,008,456**	1,746,823

Sensitivity analysis

The Group is mainly exposed to currency risk of HK$ and US$.

The following table details the Group's sensitivity to a 5% (2024: 5%) increase and decrease in RMB against HK$ and US$. 5% (2024: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% (2024: 5%) change in foreign currency rates. The post-tax profit would decrease by the below amounts where RMB strengthens 5% (2024: 5%) against the relevant currency. For a 5% (2024: 5%) weakening of RMB against the relevant currency, there would be an equal and opposite impact on the post-tax profit and other equity.

	HK$ Impact (i)		US$ Impact (ii)	
	2025	2024	**2025**	2024
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Post-tax profit	**(6,769)**	(8,101)	**(85,360)**	(74,240)

(i) This is mainly attributable to the exposure to outstanding HK$ denominated bank balances at the end of the reporting period.

(ii) This is mainly attributable to the exposure to outstanding US$ denominated bank balances and trade receivables at the end of the reporting period.

39. Financial Instruments *(continued)*

39b. Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(ii) Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The Group also invested in certain unquoted equity securities for long-term strategic purposes which had been designated as FVTOCI. The Group has appointed a special team to monitor the price risk.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If the prices of the respective listed equity instruments had been 5% (2024: 5%) higher/lower:

- Other reserves would increase/decrease by RMB7,795,000 (2024: RMB15,413,000) for the Group as a result of the changes in fair value of the listed equity investments measured at FVTOCI.
- Post-tax profit would increase/decrease by RMB5,704,000 (2024: RMB9,336,000) for the Group as a result of the changes in fair value of the listed equity investments measured at FVTPL.

Credit risk and impairment assessment

As at 31 December 2024 and 2025, the maximum exposure to credit risk by the Group which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings.

The Group's concentration of credit risk by geographical locations on trade receivables is mainly in the PRC.

Trade receivables arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed twice a year.

39. Financial Instruments *(continued)*

39b. Financial risk management objectives and policies *(continued)*

***Credit risk and impairment assessment** (continued)*

Trade receivables arising from contracts with customers (continued)

Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. Except for trade receivables with major customers and credit-impaired balances which are assessed individually, the Group determines the ECL on the remaining balances by using a provision matrix grouped by common risk characteristic. As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. Loss allowance amount of the credit-impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group rebuts the presumption of default under ECL for trade receivables over 90 days past due based on the strong financial position with good repayment records of those customers and continuous business relationship with the Group.

Trade receivables with major customers and with an aggregate gross carrying amount of RMB2,529,552,000 as at 31 December 2025 (2024: RMB2,789,461,000) are assessed individually. These balances are from counterparties which have low risk of default and usually settle within credit period. The exposure to credit risk for these balances are assessed within lifetime ECL with an average loss rate of approximately 0.26% (2024: 0.36%), impairment allowance of RMB6,559,000 (2024: RMB10,081,000) was provided by the Group as at 31 December 2025.

The remaining trade receivables with gross carrying amount of RMB2,297,785,000 (2024: RMB2,429,652,000) are assessed based on debtors' aging. The following table provides information about the exposure to credit risk for trade receivables which are assessed within lifetime ECL (not credit-impaired) as at 31 December 2024 and 2025.

Gross carrying amount

	Average loss rate			
	2025	2024	**2025**	2024
			RMB'000	*RMB'000*
Current (not past due)	**0.07%**	0.07%	**1,912,567**	1,933,326
1–270 days past due	**5.00%**	5.89%	**356,210**	471,802
More than 270 days past due	**78.50%**	78.50%	**29,008**	24,524
			2,297,785	2,429,652

39. Financial Instruments *(continued)*

39b. Financial risk management objectives and policies *(continued)*

***Credit risk and impairment assessment** (continued)*

Trade receivables arising from contracts with customers (continued)

The estimated loss rates are based on historical observed default rates over the expected life of the trade receivables and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific trade receivable is updated.

As at 31 December 2025, the Group provided RMB41,911,000 (2024: RMB48,360,000) impairment allowance for trade receivables based on the provision matrix other than those major customers. No impairment allowance was made on credit-impaired debtors.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit-impaired) *RMB'000*
As at 1 January 2024	42,137
Impairment losses recognised	16,304
As at 31 December 2024	**58,441**
Reversal of impairment losses	**(9,971)**
As at 31 December 2025	**48,470**

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivable is over two years past due, whichever occurs earlier.

Other receivables

The management believes that there is no significant increase in credit risk of other receivables since initial recognition and the Group provided impairment based on 12m ECL. No impairment loss on other receivables was recognised by the Group for both years.

39. Financial Instruments *(continued)*

39b. Financial risk management objectives and policies *(continued)*

***Credit risk and impairment assessment** (continued)*

Bills receivables

The credit risk of bills receivables is limited because the counterparties are mainly banks/financial institutions with high credit ratings assigned by independent credit-rating agencies. The Group measures the loss allowance at 12m ECL as there has been no significant increase in credit risk since initial recognition. As at 31 December 2025, the gross carrying amount of bills receivables measured at amortised cost and FVTOCI are RMB1,074,295,000 and RMB2,506,687,000 respectively (2024: RMB1,614,196,000 and RMB2,421,294,000, respectively), the 12m ECL is considered immaterial for both years.

Amounts due from related companies

In order to minimise the credit risk, the Group will assess the credit quality of related companies. Other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. As at 31 December 2025, the gross carrying amounts of receivables due from related companies is RMB343,686,000 (2024: RMB359,123,000).

For the purpose of impairment assessment for trade receivables and other receivables from related companies, the lifetime ECL and 12m ECL are considered to be immaterial after considering counterparties' financial background and creditability.

Amounts due from joint ventures

As at 31 December 2025, the gross carrying amount of amounts due from joint ventures is RMB83,468,000 (2024: RMB65,475,000). No impairment loss on amounts due from joint ventures was recognised by the Group for both years.

For the purpose of impairment assessment for trade receivables and other receivables due from joint ventures, exposure to credit risk for those balances are assessed individually with lifetime ECL and 12m ECL respectively.

Bank deposits/bank balances/pledged and restricted bank deposits

The credit risk of bank deposits, bank balances, pledged and restricted bank deposits and structured bank deposits are limited because the counterparties are mainly banks/financial institutions with high credit ratings assigned by independent credit-rating agencies. The Group measures the loss allowance at 12m ECL as there has been no significant increase in credit risk since initial recognition. As at 31 December 2025, the gross carrying amount of time deposits, bank balances, pledged and restricted bank deposits are RMB4,208,538,000 RMB5,254,498,000 and RMB18,220,000 respectively (2024: RMB3,220,000,000, RMB5,917,376,000 and RMB49,823,000 respectively), the 12m ECL is considered immaterial for both years.

39. Financial Instruments *(continued)*

39b. Financial risk management objectives and policies *(continued)*

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Group and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities and derivative instrument. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from rate curve at the end of the reporting period.

As at 31 December 2025

	Weighted average effective interest rate %	Less than 1 month or on demand *RMB'000*	1 – 3 months *RMB'000*	3 months to 1 year *RMB'000*	1 – 3 years *RMB'000*	More than 3 years *RMB'000*	Total undiscounted cash flows *RMB'000*	Carrying amount *RMB'000*
Non-derivative financial liabilities								
Trade payables	–	333,888	1,988,116	–	–	–	2,322,004	2,322,004
Other payables	–	4,354,304	–	–	–	–	4,354,304	4,354,304
Bills payables	–	50,390	206,441	396,793	–	–	653,624	653,624
Amounts due to related companies	–	305,545	–	–	–	–	305,545	305,545
Amounts due to joint ventures	–	210,788	–	–	–	–	210,788	210,788
Bank borrowings	1.95	22,219	208,425	108,170	–	–	338,814	328,723
		5,277,134	2,402,982	504,963	–	–	8,185,079	8,174,988
Lease liabilities	3.48	11,937	23,645	105,361	174,905	11,743	327,591	312,386

39. Financial Instruments *(continued)*

39b. Financial risk management objectives and policies *(continued)*

***Liquidity risk** (continued)*

As at 31 December 2024

	Weighted average effective interest rate %	Less than 1 month or on demand RMB'000	1 – 3 months RMB'000	3 months to 1 year RMB'000	1 – 3 years RMB'000	More than 3 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount RMB'000
Non-derivative financial liabilities								
Trade payables	–	306,330	1,360,917	–	–	–	1,667,247	1,667,247
Other payables	–	4,734,948	–	–	–	–	4,734,948	4,734,948
Bills payables	–	72,912	298,707	574,134	–	–	945,753	945,753
Amounts due to related companies	–	272,659	–	–	–	–	272,659	272,659
Amounts due to joint ventures	–	133,965	–	–	–	–	133,965	133,965
Bank borrowings	1.95	217,643	74,600	112,019	–	–	404,262	392,204
		5,738,457	1,734,224	686,153	–	–	8,158,834	8,146,776
Lease liabilities	4.35	8,263	16,527	36,636	41,450	19,475	122,351	115,126

39c. Fair value measurement of financial instruments

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and 2 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The finance department works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports to the Directors every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities.

Fair values are categorised into different fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (significant unobservable input).

39. Financial Instruments *(continued)*

39c. Fair value measurement of financial instruments *(continued)*

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis *(continued)*

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used):

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation techniques and key input(s)	Significant Unobservable input(s)	Relationship of unobservable inputs to fair value
	31 December 2025 ***RMB'000***	31 December 2024 *RMB'000*				
Equity securities listed in Hong Kong and PRC	**269,975**	519,895	Level 1	Quoted bid prices in an active market.	N/A	N/A
Unquoted investments	**1,981,301**	1,980,330	Level 3	Where recent transaction prices of underlying investments is not available, discount cash flows is used for valuation.	Estimated discount rate	The higher the estimated discount rate, the lower the fair value, vice versa.
				Discount cash flows – in this approach, the discounted cash flow method was used to capture the present value of future expected cash flows to be derived from the underlying assets.	Long-term pre-tax operating margin	The higher the long-term pre-tax operating margin, the higher the fair value, vice versa.
Bills receivables measured at FVTOCI	**2,506,687**	2,421,294	Level 2	Discounted cash flow at a discount rate that reflects the credit risk of issuers.	N/A	N/A
Structured bank deposits	**2,775,915**	1,307,007	Level 2	Expected yields of underlying Investments invested by bank at a discount rate that reflects the credit risk of the bank.	N/A	N/A

39. Financial Instruments *(continued)*

39c. Fair value measurement of financial instruments *(continued)*

(ii) Reconciliation of Level 3 Measurements

	Unquoted investments *RMB'000*
At 1 January 2024	2,298,923
Total losses	
— in other comprehensive income	(3,490)
— in profit or loss	(84,965)
Purchase of unquoted investments	111,954
Proceeds from distribution of unquoted investments	(42,092)
Transfer to listed equity securities	(300,000)
At 31 December 2024	**1,980,330**
Total profits	
— in other comprehensive income	**25,411**
— in profit or loss	**204,325**
Purchase of unquoted investments	**90,731**
Proceeds from distribution of unquoted investments	**(268,019)**
Transfer to listed equity securities	**(51,477)**
At 31 December 2025	**1,981,301**

(iii) Fair value of financial instruments that are recorded at amortised cost

The Directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

40. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings *RMB'000 (note 30)*	**Dividend payable** *RMB'000 (note 12)*	**Dividend payable to non-controlling interests** *RMB'000*	**Lease liabilities** *RMB'000 (note 32)*	**Total** *RMB'000*
At 1 January 2024	450,216	–	–	256,685	706,901
Financing cash flows	556,668	(3,233,815)	(98,496)	(151,046)	(2,926,689)
Finance costs recognised	36,037	–	–	7,636	43,673
Maturity of bills receivables discounted with recourse	(650,717)	–	–	–	(650,717)
Dividend declared	–	3,233,815	98,496	–	3,332,311
New lease entered	–	–	–	571	571
Exchange adjustments	–	–	–	1,280	1,280
At 31 December 2024	**392,204**	**–**	**–**	**115,126**	**507,330**
Financing cash flows	**540,000**	**(2,497,337)**	**(6,943)**	**(148,799)**	**(2,113,079)**
Finance costs recognised	**28,676**	**–**	**–**	**9,919**	**38,595**
Maturity of bills receivables discounted with recourse	**(632,157)**	**–**	**–**	**–**	**(632,157)**
Dividend declared	**–**	**2,497,337**	**6,943**	**–**	**2,504,280**
New lease entered	**–**	**–**	**–**	**337,537**	**337,537**
Exchange adjustments	**–**	**–**	**–**	**(1,397)**	**(1,397)**
At 31 December 2025	**328,723**	**–**	**–**	**312,386**	**641,109**

41. Related Party Disclosures

During the year, the Group had significant transactions and balances with related parties. Other than those disclosed elsewhere in the consolidated financial statements, the Group had also entered into the following significant transactions with related parties and the balances with them at the end of the reporting period are as follows:

(i) Related companies and joint ventures

Relationships	Nature of transactions/balances	2025 RMB'000	2024 RMB'000
Related companies *(note a)*	Sale of pharmaceutical products	**1,004,391**	972,392
	Payment of lease liabilities	**135,936**	127,308
	Purchase of pharmaceutical products and other products	**684,257**	244,703
	Consolidated services expense	**92,983**	59,698
	Balance due from/(to) the related companies		
	— trade receivables *(note b)*		
	aged 0–90 days	**320,786**	328,248
	aged 91–180 days	**2,011**	12,165
	aged 181–365 days	**606**	3,010
	aged over 365 days	**2,675**	1,230
		326,078	344,653
	— other receivables *(note c)*	**17,608**	14,470
	— trade payables *(note b)*		
	aged 0–90 days	**(128,142)**	(264,095)
	aged 91–180 days	**(23,655)**	(2)
	aged 181–365 days	**(85,226)**	(195)
	aged over 365 days	**(40,819)**	(456)
		(277,842)	(264,748)
	— other payables *(note c)*	**(27,703)**	(7,911)
	— lease liabilities	**(257,490)**	(37,258)

41. Related Party Disclosures *(continued)*

(i) Related companies and joint ventures *(continued)*

Relationships	Nature of transactions/balances	2025 RMB'000	2024 RMB'000
Joint ventures	Sale of pharmaceutical products	**176,911**	150,878
	Purchase of raw materials	**259,973**	215,738
	Research and development expenses	**27,927**	26,522
	Balance due from/(to) joint ventures		
	— trade receivables *(note b)*		
	aged 0–90 days	**7,833**	53
	aged 91–180 days	**694**	711
		8,527	764
	— other receivables *(note c)*	**74,941**	64,711
	— trade payables *(note b)*		
	aged 0–90 days	**(53,323)**	(103,439)
	aged 91–180 days	**(23,362)**	(7,106)
	aged 181–365 days	**(47,217)**	–
	aged over 365 days	**(31,591)**	(186)
		(155,493)	(110,731)
	— other payables *(note c)*	**(55,295)**	(23,234)

(ii) Compensation to key management personnel

The details of the compensation paid to the executive directors of the Company during the year are set out in note 9.

Notes:

a. Mr. Cai Dong Chen, Chairman and executive director of the Company, has significant influence over the Company and exercises control over CSPC Holdings Company Limited ("CHL") through a series of controlled corporations. Accordingly, CHL and its subsidiaries and associates (the "CHL Group") are related parties of the Group.

b. The general credit period for trade receivables and payables is 90 days (2024: 90 days).

c. The amounts are unsecured, repayable on demand and non-interest bearing.

42. Employee Retirement Benefit Schemes

The Group has offered a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. Contributions are made by both the employer and the employee based on a certain percentage of the employees' relevant income. The Group's contributions will be fully and immediately vested in the employees' accounts as their accrued benefits in the scheme. There was no contribution forfeited by the Group during the year.

The employees of the subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The relevant subsidiaries are required to make contributions to the retirement benefit scheme based on a certain percentage of payroll costs stipulated by the local government authorities. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. Upon retirement, the local government authorities are responsible for the payment of the retirement benefits to the retired employees.

The Group established a 401(k) savings trust plan ("401(k) Plan"), a defined contribution plan funded by employers and employees, in the US that qualifies as an Inland Revenue Service ("IRS") deferred salary arrangement under Section 401(k) of the US Internal Revenue Code. Under the 401(k) Plan, participating employees may elect to contribute up to a maximum amount subject to certain IRS limitations.

During the year, the contributions made by the Group relating to the above arrangements were RMB198,362,000 (2024: RMB193,978,000), of which RMB790,000 (2024: RMB1,261,000) and RMB2,089,000 (2024: RMB2,502,000) were attributable to the Mandatory Provident Fund Scheme in Hong Kong and 401(k) Plan in the US, respectively.

43. Particulars of Subsidiaries

43a. General information of subsidiaries

The directors are of the opinion that a complete list of particulars of all subsidiaries will be of excessive length and therefore the following list contains only the particulars of subsidiaries as at 31 December 2024 and 2025 which principally affect the results or assets of the Group.

Name of subsidiaries	Place of incorporation/ registration and operations	Legal form	Paid up issued/ registered capital	Percentage of nominal value of issued share capital/ registered capital and voting power held by the Company				Principal activities
				2025		2024		
				Directly %	Indirectly %	Directly %	Indirectly %	
Dragon Merit Holdings Limited	Hong Kong	Limited liability	RMB639,800,001	**–**	**100**	–	100	Investment holding
CSPC Weisheng Pharmaceutical (Shijiazhuang) Co., Ltd.	The PRC	Foreign investment enterprise with limited liability	US$106,348,000	**100**	**–**	100	–	Manufacture and sale of vitamin C products
CSPC Zhongnuo Pharmaceutical Co., Ltd.	The PRC	Sino-foreign equity joint venture with limited liability	RMB678,555,900	**88.82**	**10.57**	88.82	10.57	Manufacturing and sale of pharmaceutical products
CSPC Zhongqi Pharmaceutical Technology (Shijiazhuang) Co., Ltd.	The PRC	Foreign investment enterprise with limited liability	RMB39,754,680	**100**	**–**	100	–	Pharmaceutical research and development
CSPC Yinhu Pharmaceutical Co., Ltd.	The PRC	Limited liability	RMB150,000,000	**–**	**89.45**	–	89.45	Manufacture and sale of pharmaceutical products
CSPC Recomgen Pharmaceutical (Guangzhou) Co., Ltd ("Recomgen")	The PRC	Limited liability	RMB203,341,507	**–**	**83.96**	–	83.96	Manufacture and sale of pharmaceutical product
CSPC Zhongnuo Pharmaceutical (Taizhou) Co., Ltd.	The PRC	Limited liability	RMB170,000,000	**–**	**74.41**	–	74.41	Manufacture and sales of health supplement products
CSPC NBP Pharmaceutical Co., Ltd.	The PRC	Foreign investment enterprise with limited liability	RMB413,594,300	**54.06**	**45.94**	54.06	45.94	Manufacture and sales of pharmaceutical products
CSPC Ouyi Pharmaceutical Co., Ltd. ("Ouyi")	The PRC	Limited liability	RMB298,000,000	**–**	**100**	–	100	Manufacture and sales of pharmaceutical products

43. Particulars of Subsidiaries *(continued)*

43a. General information of subsidiaries *(continued)*

Name of subsidiaries	Place of incorporation/ registration and operations	Legal form	Paid up issued/ registered capital	Percentage of nominal value of issued share capital/ registered capital and voting power held by the Company				Principal activities
				2025		2024		
				Directly %	Indirectly %	Directly %	Indirectly %	
CSPC Innovation	The PRC	Limited liability	RMB1,404,592,944	–	**74.66**	–	74.41	Manufacture and sales of caffeine products
CSPC Baike (Shandong) Biopharmaceutical Co., Ltd.	The PRC	Limited liability	RMB734,700,000	–	**100**	–	100	Manufacture and sales of pharmaceutical products
CSPC Shengxue Glucose Co., Ltd.	The PRC	Limited liability	RMB500,000,000	–	**100**	–	100	Manufacture and sales of pharmaceutical products
Hebei Zhongnuo GWK Medicines & Health Products Co., Ltd.	The PRC	Limited liability	RMB30,000,000	–	**74.66**	–	74.41	Manufacture and sales of health supplement products
CSPC Taizhou GWK Medicines & Health Products Co., Ltd.	The PRC	Limited liability	RMB70,000,000	–	**74.66**	–	74.41	Sales of health supplement products
CSPC Neimenggu Zhongnuo Pharmaceutical Co., Ltd.	The PRC	Limited liability	RMB66,867,900	–	**99.39**	–	99.39	Manufacture and sales of pharmaceutical products
Shijiazhang Ouyihe Medical Trading Co., Ltd.	The PRC	Foreign investment enterprise with limited liability	RMB1,000,000 (2024: RMB200,000,000)	**100**	–	100	–	Sales of pharmaceutical products
Xinshi Biopharmaceutical Limited	The PRC	Limited liability	RMB132,800,000	–	**100**	–	100	Pharmaceutical research and development
CSPC Shanghai Co., Ltd.	The PRC	Limited liability	RMB800,000,000	–	**100**	–	100	Investment holding
Shanghai Yishi Pharmaceutical Technology Co., Ltd.	The PRC	Limited liability	RMB10,000,000	–	**100**	–	100	Pharmaceutical research and development
Shanghai Runshi Pharmaceutical Technology Co., Ltd.	The PRC	Limited liability	RMB10,000,000	–	**89**	–	89	Pharmaceutical research and development

43. Particulars of Subsidiaries *(continued)*

43a. General information of subsidiaries *(continued)*

Name of subsidiaries	Place of incorporation/ registration and operations	Legal form	Paid up issued/ registered capital	Percentage of nominal value of issued share capital/ registered capital and voting power held by the Company				Principal activities
				2025		2024		
				Directly %	Indirectly %	Directly %	Indirectly %	
CSPC Megalith Biopharmaceutical Co., Ltd.	The PRC	Limited liability	RMB2,040,816,326	–	**79.73**	–	86.94	Manufacture and sales of vaccines
Beijing Kangchuanglian Biopharmaceutical Technology Research Co., Ltd.	The PRC	Limited liability	RMB5,000,000	–	**100**	–	100	Pharmaceutical research and development
Shanghai JMT-BIO Technology Co., Ltd.	The PRC	Limited liability	RMB70,000,000	–	**100**	–	100	Pharmaceutical research and development
Shanghai JMT-BIO Pharmaceutical Co., Ltd.	The PRC	Limited liability	RMB20,000,000	–	**100**	–	100	Pharmaceutical research and development
Shanghai Novarock Biopharmaceutical Co., Ltd.	The PRC	Limited liability	US$10,000,000	–	**68.73**	–	68.73	Pharmaceutical research and development
Shanghai Alamab Biopharmaceutical Co., Ltd.	The PRC	Limited liability	US$10,000,000	–	**79.69**	–	79.69	Pharmaceutical research and development
Conjupro Bioerapecitics Inc.	USA	Limited liability	US$1,292,900	–	**100**	–	100	Pharmaceutical research and development
CSPC Healthcare Inc.	USA	Limited liability	US$74,400	–	**100**	–	100	Sales of pharmaceutical products
CSPC Dophen Corporation	USA	Limited liability	US$10	–	**100**	–	100	Pharmaceutical research and development
AlaMab Therapeutics, Inc.	USA	Limited liability	US$533	–	**79.69**	–	79.69	Pharmaceutical research and development
Novarock Biotherapeutics Limited	USA	Limited liability	US$519	–	**68.73**	–	68.73	Pharmaceutical research and development

43. Particulars of Subsidiaries *(continued)*

43a. General information of subsidiaries *(continued)*

Name of subsidiaries	Place of incorporation/ registration and operations	Legal form	Paid up issued/ registered capital	Percentage of nominal value of issued share capital/ registered capital and voting power held by the Company				Principal activities
				2025		2024		
				Directly %	Indirectly %	Directly %	Indirectly %	
CSPC Innovation USA Inc.	USA	Limited liability	US$50,000	**–**	**74.66**	–	74.41	Sales of pharmaceutical products
CSPC Dermay Europe GMBH	Germany	Limited liability	EUR50,000	**–**	**100**	–	100	Sales of pharmaceutical products
CSPC Deryang Europe GMBH	Germany	Limited liability	EUR50,000	**–**	**74.66**	–	74.41	Sales of pharmaceutical products

None of the subsidiaries had issued any debt securities at the end of the year or at any time during the year.

43b. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of a non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	**2025**	2024	**2025**	2024
				RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
CSPC Innovation	The PRC	**25.34%**	25.59%	**(25,734)**	8,902	**1,005,779**	1,255,440
Recomgen	The PRC	**16.04%**	16.04%	**33,130**	16,274	**228,043**	194,913
Individually immaterial subsidiaries with non-controlling interests				**(13,114)**	(14,386)	**138,128**	151,242
				(5,718)	10,790	**1,371,950**	1,601,595

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

43. Particulars of Subsidiaries *(continued)*

43b. Details of non-wholly owned subsidiaries that have material non-controlling interests *(continued)*

CSPC Innovation

	2025	2024
	RMB'000	*RMB'000*
Current assets	**2,853,148**	2,802,403
Non-current assets	**3,423,163**	3,219,713
Current liabilities	**(2,709,138)**	(1,434,295)
Non-current liabilities	**(771,906)**	(91,891)
Equity attributable to owners of the Company	**2,667,344**	3,730,544
Non-controlling interests	**127,923**	765,386
Revenue	**2,157,680**	1,980,753
Loss for the year	**(609,336)**	(303,213)
(Loss)/profit and total comprehensive (expense)/income attributable to owners of the Company	**(239,359)**	54,238
Loss and total comprehensive expense attributable to the non-controlling interests	**(368,210)**	(356,939)
Loss and total comprehensive expense for the year	**(607,569)**	(302,701)
Dividends paid to non-controlling interests of CSPC Innovation	**6,943**	98,496
Net cash outflow from operating activities	**(195,693)**	(1,235,054)
Net cash outflow from investing activities	**(338,511)**	(1,291,439)
Net cash inflow/(outflow) from financing activities	**424,192**	(392,514)
Effect of foreign exchange rate changes	**20,266**	7,800
Net cash outflow	**(89,746)**	(2,911,207)

43. Particulars of Subsidiaries *(continued)*

43b. Details of non-wholly owned subsidiaries that have material non-controlling interests *(continued)*

Recomgen

	2025	2024
	RMB'000	*RMB'000*
Current assets	**676,058**	280,087
Non-current assets	**1,134,412**	1,133,225
Current liabilities	**(278,794)**	(79,637)
Non-current liabilities	**(110,088)**	(118,613)
Equity attributable to owners of the Company	**1,193,545**	1,020,149
Non-controlling interests	**228,043**	194,913
Revenue	**1,096,165**	562,262
Profit for the year	**206,526**	60,205
Profit and total comprehensive income attributable to owners of the Company	**173,396**	43,931
Profit and total comprehensive income attributable to the non-controlling interests	**33,130**	16,274
Profit and total comprehensive income for the year	**206,526**	60,205
Net cash inflow from operating activities	**309,220**	43,992
Net cash outflow from investing activities	**(136,072)**	(38,495)
Net cash inflow/(outflow) from financing activities	**1,175**	(8,660)
Net cash inflow/(outflow)	**174,323**	(3,163)

44. Statement of Financial Position and Reserves of the Company

	2025	2024
	RMB'000	*RMB'000*
Non-current assets		
Property, plant and equipment	**581**	700
Investments in subsidiaries	**9,198,684**	9,370,654
Other financial assets	**17,852**	21,063
Amounts due from subsidiaries	**413,688**	223,142
Right-of-use assets	**549**	3,106
	9,631,354	9,618,665
Current assets		
Other receivables	**1,375**	926
Amounts due from subsidiaries	**3,185,625**	3,030,238
Bank balances and cash	**509,328**	260,332
	3,696,328	3,291,496
Current liabilities		
Other payables	**19,835**	2,829
Tax liabilities	**24,726**	24,726
Lease liabilities	**571**	2,641
	45,132	30,196
Net current assets	**3,651,196**	3,261,300
Total assets less current liabilities	**13,282,550**	12,879,965
Non-current liability		
Lease liabilities	**–**	577
Net assets	**13,282,550**	12,879,388
Capital and reserves		
Share capital	**11,061,429**	11,032,752
Reserves	**2,221,121**	1,846,636
Total equity	**13,282,550**	12,879,388

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 25 March 2026 and are signed on its behalf by:

CAI Dong Chen
DIRECTOR

QU Zhiyong
DIRECTOR

44. Statement of Financial Position and Reserves of the Company *(continued)*

Movement in the Company's reserves

	Investments valuation reserve	Treasury share reserve	Employee share-based compensation reserves	Capital contribution reserve	Accumulated profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	(19,125)	(316,214)	28,346	343,732	1,991,701	2,028,440
Profit for the year	–	–	–	–	4,746,878	4,746,878
Other comprehensive income for the year	481	–	–	–	–	481
Total comprehensive income for the year	481	–	–	–	4,746,878	4,747,359
Dividend recognised as distribution	–	–	–	–	(3,233,815)	(3,233,815)
Purchase of shares under share award scheme	–	(299,711)	–	–	–	(299,711)
Recognition of employee share-based compensation expense	–	–	12,052	198,319	–	210,371
Repurchase of shares	–	–	–	–	(1,579,098)	(1,579,098)
Vesting shares under share award scheme	–	3,884	(5,519)	–	1,635	–
Exercise of share options	–	–	(26,910)	–	–	(26,910)
At 31 December 2024	**(18,644)**	**(612,041)**	**7,969**	**542,051**	**1,927,301**	**1,846,636**
Profit for the year	**–**	**–**	**–**	**–**	**3,364,244**	**3,364,244**
Other comprehensive expense for the year	**(2,233)**	**–**	**–**	**–**	**–**	**(2,233)**
Total comprehensive (expense)/income for the year	**(2,233)**	**–**	**–**	**–**	**3,364,244**	**3,362,011**
Dividend recognised as distribution	**–**	**–**	**–**	**–**	**(2,497,337)**	**(2,497,337)**
Purchase of shares under share award scheme	**–**	**(140,812)**	**–**	**–**	**–**	**(140,812)**
Recognition of employee share-based compensation expense	**–**	**–**	**11,344**	**(77,292)**	**–**	**(65,948)**
Repurchase of shares	**–**	**–**	**–**	**–**	**(277,633)**	**(277,633)**
Exercise of share options	**–**	**–**	**(5,796)**	**–**	**–**	**(5,796)**
At 31 December 2025	**(20,877)**	**(752,853)**	**13,517**	**464,759**	**2,516,575**	**2,221,121**

Financial Summary

	For the year ended 31 December				
	2021	2022	2023	2024	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Results					
Revenue	27,866,870	30,936,904	31,450,109	29,009,254	**26,005,980**
Profit before tax	6,847,096	7,582,261	7,389,372	5,578,726	**4,808,117**
Income tax expense	(1,158,972)	(1,350,211)	(1,316,679)	(1,239,901)	**(931,727)**
Profit for the year	5,688,124	6,232,050	6,072,693	4,338,825	**3,876,390**
Profit/(loss) for the year attributable to:					
Owners of the Company	5,605,185	6,091,390	5,873,325	4,328,035	**3,882,108**
Non-controlling interests	82,939	140,660	199,368	10,790	**(5,718)**
	5,688,124	6,232,050	6,072,693	4,338,825	**3,876,390**
	RMB cents	*RMB cents*	*RMB cents*	*RMB cents*	***RMB cents***
Earnings per share					
Basic	46.89	51.11	49.47	36.87	**33.98**
Diluted	46.89	51.11	49.47	36.87	**33.98**

	As at 31 December				
	2021	2022	2023	2024	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Assets and liabilities					
Total assets	34,741,576	41,769,774	46,282,170	44,388,991	**46,697,914**
Total liabilities	(7,913,345)	(10,127,899)	(11,264,158)	(10,522,701)	**(12,147,797)**
Net assets	26,828,231	31,641,875	35,018,012	33,866,290	**34,550,117**
Equity attributable to owners of the Company	25,986,672	30,197,534	33,203,208	32,264,695	**33,178,167**
Non-controlling interests	841,559	1,444,341	1,814,804	1,601,595	**1,371,950**
Total equity	26,828,231	31,641,875	35,018,012	33,866,290	**34,550,117**