LUYE PHARMA GROUP LTD.
绿叶制药集团有限公司

(Incorporated in the Bermuda with limited liability)

(Stock Code: 02186)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue increased by RMB247.0 million or 4.1% to RMB6,308.4 million, as compared to the year ended 31 December 2024.
- EBITDA increased by RMB279.0 million or 12.7% to RMB2,470.7 million, as compared to the year ended 31 December 2024.
- Gross profit increased by RMB118.4 million or 2.9% to RMB4,162.6 million, as compared to the year ended 31 December 2024, and gross profit margin was 66.0%.
- Profit before tax increased by RMB105.4 million or 12.6% to RMB944.6 million, as compared to the year ended 31 December 2024.
- Net profit amounted to RMB705.7 million, representing an increase of RMB60.7 million, as compared to the year ended 31 December 2024.
- Profit attributable to shareholders amounted to RMB618.7 million, representing an increase of RMB146.8 million, as compared to the year ended 31 December 2024.
- Earnings per share was RMB15.88 cents compared to RMB12.54 cents for the year ended 31 December 2024.
- No dividend was proposed by the Board for the year ended 31 December 2025.

RESULTS

The board (the "Board") of directors (the "Directors") of Luye Pharma Group Ltd. (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025, together with the comparative figures for the corresponding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
REVENUE	*5*	**6,308,374**	6,061,441
Cost of sales		**(2,145,791)**	(2,017,214)
Gross profit		**4,162,583**	4,044,227
Other income and gains	*5*	**472,426**	359,968
Selling and distribution expenses		**(1,826,153)**	(1,816,428)
Administrative expenses		**(679,637)**	(581,962)
Other expenses		**(466,418)**	(604,027)
Finance costs	*7*	**(686,595)**	(561,785)
Share of profits and losses of associates		**(31,569)**	(774)
PROFIT BEFORE TAX	*6*	**944,637**	839,219
Income tax expense	*8*	**(238,978)**	(194,211)
PROFIT FOR THE YEAR		**705,659**	645,008
Attributable to:			
Owners of the parent		**618,747**	471,886
Non-controlling interests		**86,912**	173,122
		705,659	645,008
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	*10*	**15.88 cents**	12.54 cents
Diluted (RMB)	*10*	**12.50 cents**	12.54 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	2025	2024
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**705,659**	645,008
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	**51,185**	18,840
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**51,185**	18,840
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(468)**	(5,119)
Income tax effect	**68**	61
	(400)	(5,058)
Remeasurement on defined benefit plan	**1,593**	**(1,871)**
Income tax effect	**(285)**	185
	1,308	(1,686)
Share of other comprehensive income of a joint venture	**9,514**	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**10,422**	(6,744)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**61,607**	12,096
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**767,266**	657,104
Attributable to:		
Owners of the parent	**680,438**	483,997
Non-controlling interests	**86,828**	173,107
	767,266	657,104

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	**31 December 2025** ***RMB'000***	31 December 2024 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**4,973,420**	5,004,624
Right-of-use assets		**329,429**	334,581
Goodwill		**1,075,187**	1,012,456
Other intangible assets		**6,783,397**	6,585,487
Investment in a joint venture		**13,348**	359,420
Investments in associates		**1,788,066**	1,511,687
Equity investments designated at fair value through other comprehensive income		**2,424**	2,786
Prepayments, other receivables and other assets		**761,046**	710,962
Financial assets at fair value through profit or loss	*12*	**1,792,548**	618,512
Deferred tax assets		**73,782**	163,578
Total non-current assets		**17,592,647**	16,304,093
CURRENT ASSETS			
Inventories		**956,540**	911,893
Trade and notes receivables	*11*	**3,258,857**	2,779,767
Prepayments, other receivables and other assets		**2,141,506**	1,939,220
Financial assets at fair value through profit or loss	*12*	**2,003,561**	1,504,067
Restricted cash		**5,266**	–
Pledged deposits		**1,375,422**	1,174,015
Time deposits with original maturity of over three months		**1,000,000**	62,000
Cash and cash equivalents		**4,491,540**	4,937,145
Total current assets		**15,232,692**	13,308,107
CURRENT LIABILITIES			
Trade and notes payables	*13*	**1,153,235**	689,300
Other payables and accruals		**1,776,032**	2,182,079
Interest-bearing loans and borrowings	*14*	**6,694,099**	6,574,007
Convertible bonds		**–**	1,011,067
Government grants		**13,778**	18,302
Tax payable		**298,666**	294,387
Total current liabilities		**9,935,810**	10,769,142
NET CURRENT ASSETS		**5,296,882**	2,538,965
TOTAL ASSETS LESS CURRENT LIABILITIES		**22,889,529**	18,843,058

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December

	Note	**31 December 2025**	31 December 2024
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Convertible bonds		**1,065,326**	1,015,543
Interest-bearing loans and borrowings	*14*	**1,657,857**	1,720,437
Government grants		**280,216**	118,207
Employee defined benefit obligation		**4,558**	5,341
Pillar Two tax liabilities		**26,236**	–
Deferred tax liabilities		**493**	36,479
Exchangeable preference shares		**897,553**	–
Other non-current liabilities		**598,236**	193,381
Total non-current liabilities		**4,530,475**	3,089,388
Net assets		**18,359,054**	15,753,670
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**518,839**	486,107
Share premium		**5,064,088**	4,250,260
Equity component of convertible bonds		**386,362**	461,359
Reserves		**10,103,265**	8,956,803
		16,072,554	14,154,529
Non-controlling interests		**2,286,500**	1,599,141
Total equity		**18,359,054**	15,753,670

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability under the Bermuda Companies Act on 2 July 2003. It was listed on the Singapore Exchange Securities Trading Limited (the "SGX") on 5 May 2004, and has been delisted since 29 November 2012. On 9 July 2014, the Company succeeded its listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company in Hong Kong is Suite 3207, Champion Tower, 3 Garden Road, Central, Hong Kong.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the development, production, marketing and sale of pharmaceutical products.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and exchangeable preference shares, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses by type of products. The Group's chief operating decision maker is the Chief Executive Officer, who reviews the revenue from and results of the major type of products sold for the purpose of resource allocation and assessment of segment performance. Segment results are evaluated based on gross profit less selling expenses allocated. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision maker for review.

Year ended 31 December 2025

	Oncology drugs *RMB'000*	Cardio – vascular system drugs *RMB'000*	Alimentary tract and metabolism drugs *RMB'000*	Central nervous system drugs *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue						
Sale of products	**1,958,356**	**1,152,355**	**348,761**	**1,732,131**	**471,253**	**5,662,856**
Sale of product know-how	**280,000**	**–**	**–**	**120,000**	**–**	**400,000**
Provision of research and development services	**14,245**	**–**	**–**	**–**	**2,293**	**16,538**
Out-licensing agreements	**44,624**	**–**	**–**	**175,856**	**8,500**	**228,980**
Total segment revenue	**2,297,225**	**1,152,355**	**348,761**	**2,027,987**	**482,046**	**6,308,374**
Segment results	**1,067,596**	**251,070**	**129,797**	**867,419**	**20,548**	**2,336,430**
Other income and gains						**472,426**
Administrative expenses						**(679,637)**
Other expenses						**(466,418)**
Finance costs						**(686,595)**
Share of profits and losses of associates						**(31,569)**
Profit before tax						**944,637**

Year ended 31 December 2024

	Oncology drugs *RMB'000*	Cardio – vascular system drugs *RMB'000*	Alimentary tract and metabolism drugs *RMB'000*	Central nervous system drugs *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue						
Sale of products	1,766,617	1,660,005	382,647	1,602,437	277,841	5,689,547
Sale of product know-how	250,000	–	–	–	–	250,000
Provision of research and development services	66,813	–	6,227	1,637	2,323	77,000
Out-licensing agreements	1,201	–	–	9,183	34,510	44,894
Total segment revenue	2,084,631	1,660,005	388,874	1,613,257	314,674	6,061,441
Segment results	1,057,773	529,720	128,052	456,326	55,928	2,227,799
Other income and gains						359,968
Administrative expenses						(581,962)
Other expenses						(604,027)
Finance costs						(561,785)
Share of profits and losses of associates						(774)
Profit before tax						839,219

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 *RMB'000*	2024 *RMB'000*
Revenue from contracts with customers	**6,308,374**	6,061,441

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

	Oncology drugs *RMB'000*	Cardio – vascular system drugs *RMB'000*	Alimentary tract and metabolism drugs *RMB'000*	Central nervous system drugs *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods or services						
Sale of products	**1,958,356**	**1,152,355**	**348,761**	**1,732,131**	**471,253**	**5,662,856**
Sale of product know-how	**280,000**	**–**	**–**	**120,000**	**–**	**400,000**
Provision of research and development services	**14,245**	**–**	**–**	**–**	**2,293**	**16,538**
Out-licensing agreements	**44,624**	**–**	**–**	**175,856**	**8,500**	**228,980**
Total	**2,297,225**	**1,152,355**	**348,761**	**2,027,987**	**482,046**	**6,308,374**
Geographical markets						
Chinese mainland	**2,281,159**	**1,142,711**	**341,880**	**888,058**	**481,982**	**5,135,790**
Asia (other than Chinese mainland)	**16,066**	**9,644**	**6,881**	**466,509**	**–**	**499,100**
European Union	**–**	**–**	**–**	**538,991**	**–**	**538,991**
Other countries	**–**	**–**	**–**	**134,429**	**64**	**134,493**
Total	**2,297,225**	**1,152,355**	**348,761**	**2,027,987**	**482,046**	**6,308,374**
Timing of revenue recognition						
Transferred at a point in time	**2,282,980**	**1,152,355**	**348,761**	**2,027,987**	**479,753**	**6,291,836**
Transferred over time	**14,245**	**–**	**–**	**–**	**2,293**	**16,538**
Total	**2,297,225**	**1,152,355**	**348,761**	**2,027,987**	**482,046**	**6,308,374**

For the year ended 31 December 2024

	Oncology drugs *RMB'000*	Cardio – vascular system drugs *RMB'000*	Alimentary tract and metabolism drugs *RMB'000*	Central nervous system drugs *RMB'000*	Others *RMB'000*	Total *RMB'000*
Types of goods or services						
Sale of products	1,766,617	1,660,005	382,647	1,602,437	277,841	5,689,547
Sale of product know-how	250,000	–	–	–	–	250,000
Provision of research and development services	66,813	–	6,227	1,637	2,323	77,000
Out-licensing agreements	1,201	–	–	9,183	34,510	44,894
Total	2,084,631	1,660,005	388,874	1,613,257	314,674	6,061,441
Geographical markets						
Chinese mainland	2,052,322	1,651,032	387,351	522,200	311,716	4,924,621
Asia (other than Chinese mainland)	32,309	8,973	42	306,162	–	347,486
European Union	–	–	1,481	585,120	66	586,667
Other countries	–	–	–	199,775	2,892	202,667
Total	2,084,631	1,660,005	388,874	1,613,257	314,674	6,061,441
Timing of revenue recognition						
Transferred at a point in time	2,017,818	1,660,005	382,647	1,611,620	312,351	5,984,441
Transferred over time	66,813	–	6,227	1,637	2,323	77,000
Total	2,084,631	1,660,005	388,874	1,613,257	314,674	6,061,441

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025 ***RMB'000***	2024 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	**182,306**	73,315

(ii) Performance obligation

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon acceptance of the goods and payment is generally due within one month to three months, extending up to six months for major customers.

Sale of product know-how

The performance obligation is satisfied upon acceptance of the product know-how and payment is generally due within three months.

Provision of research and development services

The performance obligation is satisfied over time as services are rendered and payment is generally due within six months from the date of billing.

Out-licensing agreements

The performance obligation is satisfied upon granting the license and payment is generally due within 30 days from the date of billing.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025	2024
	RMB'000	*RMB'000*
Amounts expected to be recognised as revenue:		
Within one year	**96,968**	169,955
After one year	**–**	12,351
Total	**96,968**	182,306

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to a supply arrangement. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

	2025	2024
	RMB'000	*RMB'000*
Other income		
Bank interest income	**96,104**	84,432
Government grants*	**39,301**	162,069
Investment income from financial assets at fair value through profit or loss	**56,694**	72,760
Lease and property management service income	**6,232**	7,027
Compensation income	**–**	2,649
Others	**11,268**	9,941
Total other income	**209,599**	338,878
Gains		
Changes in fair value of exchangeable preference shares	**156,767**	–
Foreign exchange gains, net	**104,543**	–
Gain on termination of leases	**1,168**	–
Changes in fair value of financial assets at fair value through profit or loss	**–**	1,791
Gain on a finance lease as a sublease lessor	**–**	548
Gain on disposal of items of property, plant and equipment	**–**	14,852
Gain on disposal of a subsidiary	**–**	3,636
Others	**349**	263
Total gains	**262,827**	21,090
Total other income and gains	**472,426**	359,968

* The government grants mainly represent subsidies received from local government authorities to support the Group's research and development activities and operation and to compensate capital expenditure incurred on certain projects.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2025	2024
	RMB'000	RMB'000
Cost of inventories sold	**2,130,628**	1,951,077
Cost of services provided	**15,163**	66,137
Depreciation of items of property, plant and equipment	**412,888**	374,042
Depreciation of right-of-use assets	**38,395**	28,392
Amortisation of other intangible assets*	**388,209**	388,238
Write-down of/(reversal of) inventories to net realisable value**	**26,684**	(1,359)
Impairment of trade receivables, net	**2,573**	1,849
Impairment of other receivables, net	**5,274**	4,323
Lease payments not included in the measurement of lease liabilities	**20,712**	18,412
Auditor's remuneration	**15,827**	15,629
Bank interest income	**(96,104)**	(84,432)
Government grants	**(39,301)**	(162,069)
Investment income from financial assets at fair value through profit or loss	**(56,694)**	(72,760)
Changes in fair value of exchangeable preference shares	**(156,767)**	–
Foreign exchange losses/(gains), net	**(104,543)**	71,725
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
Wages and salaries	**728,552**	687,968
Pension scheme contributions***	**148,693**	156,871
Pension plan costs (defined benefit plan)	**2,317**	1,983
Central Provident Fund in Singapore***	**1,924**	3,145
Staff welfare expenses	**49,555**	53,129
Equity-settled share award expense	**13,370**	21,499
Total	**944,411**	924,595

The Group's profit before tax is arrived at after charging/(crediting): (continued)

	2025	2024
	RMB'000	RMB'000
Other expenses:		
Research and development costs	**413,920**	498,587
Donation	**3,349**	1,478
Provision for legal claims	**14,577**	14,653
Surcharges for overdue tax payments	**11,973**	3,611
Loss on disposal of items of property, plant and equipment and other intangible assets	**4,959**	–
Changes in fair value of financial assets at fair value through profit or loss	**7,733**	–
Loss on termination of a finance lease	**–**	7,908
Loss on lease modifications	**–**	481
Foreign exchange loss, net	**–**	71,725
Others	**9,907**	5,584
Total	**466,418**	604,027

* The amortisation of licences and trademarks, distribution right and patents and technology know-how are included in "Cost of sales" and "Other expenses" in the consolidated statement of profit or loss. The amortisation of software is included in "Administrative expenses" and "Other expenses" in the consolidated statement of profit or loss.

** The write-down of inventories to net realisable value is included in "Cost of sales" in the consolidated statement of profit or loss.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	RMB'000	*RMB'000*
Interest on bank and other loans (including convertible bonds)	**591,284**	474,726
Interest on exchangeable preference shares	**21,429**	–
Interest on discounted notes receivable	**47,610**	58,469
Interest on discounted letters of credit	**22,281**	16,446
Interest on lease liabilities	**3,991**	4,100
Interest on redemption liabilities	**–**	8,044
Total	**686,595**	561,785

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for a subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2024: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Pursuant to the rules and regulations of Singapore, Malaysia, Switzerland, Germany, United Kingdom, Australia, the Group is subject to 17%, 24%, 13.5%, 29.125%, 25% and 30% of their taxable income, respectively.

Pursuant to the rules and regulations of the USA, the Group is subject to federal statutory tax at the rate of 21% (2024: 21%) of taxable income. A provision for income tax has been recognised for the year, as the Group generated taxable income in the United States during the period. (2024: Nil).

The provision for Chinese mainland current income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese mainland which are granted tax concession and are taxed at preferential tax rates.

Shandong Luye Pharmaceutical Co., Ltd, Nanjing Luye Pharmaceutical Co., Ltd ("Nanjing Luye"), Beijing WBL Peking University Biotech Co., Ltd., Sichuan Luye Pharmaceutical Co., Ltd, Shandong Boan Biotechnology Co. ("Boan Biotech") and Nanjing Jimai Biological Technology Co., Ltd are qualified as High and New Technology Enterprises and were entitled to a preferential income tax rate of 15% (2024: 15%) during the year.

	2025	2024
	RMB'000	*RMB'000*
Current tax:		
Charge for the year	**186,496**	232,815
Overprovision in prior years	**(710)**	(9,106)
Deferred tax	**53,192**	(29,498)
Total tax charge for the year	**238,978**	194,211

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction where the operations of the Group are substantially based to the tax expense at the effective tax rate is as follows:

	2025	2024
	RMB'000	*RMB'000*
Profit before tax	**944,637**	839,219
At the PRC's statutory income tax rate of 25%	**236,159**	209,805
Effect of tax rate differences in other jurisdictions	**405**	32,497
Effect of preferential income tax rates applicable to subsidiaries	**(119,723)**	(133,771)
Additional deductible allowance for research and development expenses	**(78,572)**	(75,719)
Adjustments in respect of current tax of previous years	**(710)**	(9,106)
Effect of non-deductible expenses	**106,658**	92,830
Income not subject to tax	**(66,629)**	(12,319)
Tax losses utilised from previous years	**(16,402)**	(2,391)
Tax losses not recognised	**150,501**	65,419
Effect on withholding tax at 10% on sales of equity	**–**	14,058
Effect on withholding tax at 10% on the distributable profit of PRC subsidiaries	**–**	10,785
Effect of withholding tax at 10% on the interest expense of the Group's PRC subsidiaries to be paid	**1,055**	2,123
Pillar Two income Taxes	**26,236**	–
Tax charge at the Group's effective rate	**238,978**	194,211

The effective tax rate of the Group for the year was 25.3% (2024: 23.1%).

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. The Group will account for the additional Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted and been in effect as at 31 December 2025 in certain jurisdictions in which the Group operates, such as Australia, Germany, Hong Kong, Malaysia, Singapore, Switzerland, United Arab Emirates and United Kingdom.

The Group has performed an assessment of its exposure to Pillar Two income taxes based on the information available regarding the Group's financial performance in the current year. Based on the assessment, the Group has identified potential exposure from the subsidiaries in respect of profits earned in Mainland China where the Pillar Two effective tax rate is slightly below 15% due to certain incentives received by them. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

9. DIVIDEND

No interim or final dividends were declared by the Company during the year ended 31 December 2025 (2024: Nil).

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,895,812,618 (2024: 3,761,670,643) outstanding during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the exchangeable preference shares' interests and fair value changes. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2025	2024
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**618,747**	471,886
Fair value changes of exchangeable preference shares	**(156,767)**	–
Interest on exchangeable preference shares	**21,429**	–
Interest on convertible bonds	**268,882**	167,357
Profit attributable to ordinary equity holders of the parent before the impacts of exchangeable preference shares and convertible bonds	**752,291***	639,243

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**3,895,812,618**	3,761,670,643
Effect of dilution – weighted average number of ordinary shares:		
Exchangeable preference shares	**(28,111,433)**	–
Convertible bonds	**606,309,373**	330,723,697
Total	**4,474,010,558***	4,092,394,340

* Because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the year and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts are based on the profit for the year of RMB483,409,000 and the weighted average number of ordinary shares of 3,867,701,185 outstanding during the year.

11. TRADE AND NOTES RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**2,854,765**	2,388,581
Notes receivable	**411,458**	395,966
	3,266,223	2,784,547
Impairment	**(7,366)**	(4,780)
Net carrying amount	**3,258,857**	2,779,767

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month to three months, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

As at 31 December 2025, notes receivable of RMB97,974,000 (2024: RMB131,227,000) were classified as financial assets at fair value through other comprehensive income under IFRS 9. The fair value changes of these notes receivable at fair value through other comprehensive income were insignificant in 2025. The remaining notes receivable of RMB313,484,000 (2024: RMB264,739,000) were measured at amortised cost.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**2,300,015**	2,240,985
3 to 6 months	**117,074**	46,942
6 to 12 months	**413,765**	99,722
1 to 2 years	**23,065**	75
Over 2 years	**846**	857
Total	**2,854,765**	2,388,581

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**4,780**	2,918
Impairment losses, net	**2,573**	1,849
Exchange realignment	**13**	13
At end of year	**7,366**	4,780

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	RMB'000	*RMB'000*
Current		
Listed equity investments, at fair value	**423**	1,092
Other unlisted investments, at fair value	**2,003,138**	1,502,975
Total – current	**2,003,561**	1,504,067
Non-current		
Unlisted equity investments, at fair value	**1,792,548**	618,512
Total	**3,796,109**	2,122,579

The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

The above other unlisted investments were wealth management products issued by licensed financial institutions in Chinese mainland and investments in private funds. The fair values of the financial assets approximate to their costs plus expected interest. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The fair value of the listed equity investments is derived from quoted price in an active market.

The fair value of the unlisted equity investments which are not quoted in an active market is valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves.

13. TRADE AND NOTES PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**563,818**	503,814
Notes payable	**589,417**	185,486
Total	**1,153,235**	689,300

An ageing analysis of the trade and notes payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**828,905**	555,091
3 to 6 months	**287,787**	68,151
6 to 12 months	**11,221**	26,776
1 to 2 years	**17,207**	28,175
Over 2 years	**8,115**	11,107
Total	**1,153,235**	689,300

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

The maturity of the notes payable is within twelve months.

As at 31 December 2025, the Group's notes payable were secured by certain of the Group's deposits amounting to RMB506,347,000 (2024: RMB46,371,000).

14. INTEREST-BEARING LOANS AND BORROWINGS

31 December 2025

	Effective Interest rate (%)	Maturity	*RMB'000*
Current			
Bank loans – secured	**2.30~5.40**	**2026**	3,389,056
Current portion of long-term bank loans – secured	**3.10~5.40**	**2026**	767,713
Current portion of long-term US$115,461,756 bank loan – secured	**SOFR+3.11**	**2026**	224,517
Current portion of long-term other borrowings – secured	**4.85~6.00**	**2026**	234,434
Discounted notes receivable	**0.80~4.85**	**2026**	1,184,180
Discounted letters of credit	**1.38~2.95**	**2026**	858,880
Lease liabilities	**2.80~7.52**	**2026**	35,319
Total – current			**6,694,099**
Non-current			
Bank loans – secured	**3.65~4.32**	**2027~2029**	**1,245,643**
Long-term other borrowings – secured	**5.10~6.00**	**2027~2028**	**377,525**
Lease liabilities	**2.80~7.52**	**2027~2028**	**34,689**
Subtotal – non-current			**1,657,857**
Convertible bonds – debt component			**1,065,326**
Total – non-current			**2,723,183**
Total			**9,417,282**

31 December 2024

	Effective Interest rate (%)	Maturity	*RMB'000*
Current			
Bank loans – secured	3.00~4.80	2025	2,833,923
US$4,926,973 bank loan – secured	6.02	2025	35,417
JPY60,000,000 bank loan – secured	0.70	2025	27,750
Current portion of long-term bank loans – secured	3.55~5.00	2025	409,805
Current portion of long-term US$115,461,756 bank loan – secured	SOFR+3.11	2025	829,985
Current portion of long-term other borrowings – secured	4.85~6.00	2025	196,531
Discounted notes receivable	0.46~4.50	2025	1,388,428
Discounted letters of credit	1.26~3.50	2025	832,380
Lease liabilities	3.25~7.52	2025	19,788
Subtotal – current			6,574,007
Convertible bonds – debt component	5.85	2025	1,011,067
Total – current			7,585,074
Non-current			
Bank loans – secured	3.55~5.00	2026~2029	813,670
Long-term other borrowings – secured	5.10~6.00	2026~2028	864,600
Lease liabilities	3.25~7.52	2026~2028	42,167
Subtotal – non-current			1,720,437
Convertible bonds – debt component	6.25	2028	1,015,543
Total – non-current			2,735,980
Total			10,321,054

	2025 ***RMB'000***	2024 *RMB'000*
Analysed into:		
Bank loans and other borrowings repayable:		
Within one year or on demand	**6,694,099**	7,585,074
In the second year	**1,464,469**	783,150
In the third to fifth years, inclusive	**1,258,068**	1,952,214
After five years	**646**	616
Total	**9,417,282**	10,321,054

Notes:

(a) Certain of the Group's bank loans are secured by:

(i) the pledge of certain of the Group's deposits of RMB225,792,000 (2024: RMB165,711,000);

(ii) the pledge of certain of the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB741,541,000 (2024: RMB794,133,000);

(iii) the pledge of certain of the Group's right-of-use assets, which had a net carrying value at the end of the reporting period of approximately RMB27,252,000 (2024: RMB28,950,000); and

(iv) the pledge of certain of the Group's subsidiaries' shares.

(b) Certain of the Group's other borrowings are from independent third parties, bear interest at rates ranging from 5.10% to 6.00% per annum and are secured by the pledge of certain of the Group's property, plant and equipment, which had a net carrying value at the end of the reporting period of approximately RMB236,710,000 (2024: RMB297,004,000).

15. RELATED PARTY TRANSACTIONS

Details of the Group's principal related parties are as follows:

Company	**Relationship**
Steward Cross Pte. Ltd. ("Steward Cross")	Associate
Shandong Quanzhong Biomedical Technology Co., Ltd. ("Shandong Quanzhong")	Associate
Luye Pharma Venture Capital ("LPVC")	Joint venture
Luye Life Sciences Group Ltd. ("Luye Life Sciences")	Controlled by the controlling shareholder
Yantai Painuo Biotech Co., Ltd. ("Yantai Painuo")	Controlled by the controlling shareholder
Shandong International Biotechnology Development Co., Ltd. ("Biotech Park Development")	Controlled by the controlling shareholder
Luye Investment Group Co., Ltd. ("LIG")	Controlled by the controlling shareholder
Yantai Yunyue Winery Management Co., Ltd. ("Yunyue Winery")	Controlled by the controlling shareholder
Yantai Pull Valley Winery Management Co., Ltd. ("Pull Valley Winery")	Controlled by the controlling shareholder
Yantai Cellzone Medical Diagnostics Center Co., Ltd. ("Yantai Cellzone")	Controlled by the controlling shareholder
Qingdao Luye Shanghe Pharmaceutical Technology Co., Ltd. ("Qingdao Luye")	Controlled by the controlling shareholder
Geneleap Biotech LLC ("Geneleap Biotech")	Controlled by the controlling shareholder
Sairun (Shanghai) Medical Technology Co., Ltd. ("Shanghai Sairun")	Controlled by the controlling shareholder
Shandong Asford Biotechnology Co., Ltd. ("Shandong Asford")	Controlled by the controlling shareholder

(a) The Group had the following transactions with related parties during the year:

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Sales of products to:			
Steward Cross	*(i)*	**8,451**	8,279
Qingdao Luye	*(i)*	**5,999**	6,223
Sales of materials to:			
Yantai Painuo	*(ii)*	**–**	56
Sales of properties to:			
Shandong Asford	*(ii)*	**–**	5,373
Provision of manufacturing service to:			
Yantai Painuo	*(ii)*	**1,743**	2,114
Provision of property management services to:			
Yantai Painuo	*(ii)*	**–**	87
Lease buildings to:			
Yantai Painuo	*(ii)*	**1,916**	688
Lease equipment to:			
Yantai Painuo	*(ii)*	**1,895**	3,913
Lease buildings and equipment from:			
Biotech Park Development	*(ii)*	**4,281**	7,901
Property management services from:			
Biotech Park Development	*(ii)*	**361**	1,816
Purchase of welfare goods from:			
Pull Valley Winery	*(ii)*	**116**	161
LIG	*(ii)*	**712**	–
Accommodation services from:			
Yunyue Winery	*(ii)*	**–**	74
Payment on behalf by:			
Biotech Park Development	*(iii)*	**6,372**	8,053
Repayment to:			
Biotech Park Development	*(iii)*	**7,647**	10,688
Payment on behalf of:			
Shanghai Sairun	*(iii)*	**893**	930
Yantai Painuo	*(iii)*	**692**	1,386
Repayment from:			
Shanghai Sairun	*(iii)*	**893**	930
Yantai Painuo	*(iii)*	**–**	1,386
Shandong Quanzhong	*(iii)*	**788**	–
Advances to:			
Shandong Quanzhong	*(iii)*	**–**	788

Notes:

(i) The sales to related parties were made according to the published prices and conditions offered to the major customers of the Group.

(ii) The transaction prices were determined on terms mutually agreed between the parties with reference to the actual cost and fees for similar transactions in the market.

(iii) The payments on behalf and advances were unsecured, interest-free and repayable on demand.

(b) Outstanding balances with related parties:

	2025	2024
	RMB'000	*RMB'000*
Other receivables		
Yantai Painuo	**43,499**	32,662
Qingdao Luye	**511**	1,587
Steward Cross	**348**	1,279
LPVC*#	**423,797**	87,650
Shandong Asford	**7,753**	6,146
Shandong Quanzhong*	**–**	788
Shanghai Sairun	**893**	–
Shanghai Dima	**264**	–
Yantai Luchuang	**906**	–
Total	**477,971**	130,112
Other payables		
Biotech Park Development*	**3,030**	2,383
Yantai Cellzone	**–**	1,164
Total	**3,030**	3,547
Lease liabilities		
Biotech Park Development	**–**	1,190

* The balances were non-trade in nature.

\# RMB351,440,000 of the balance represents the refundable capital contribution from LPVC which is expected to be refunded in 2026. As of 28 February 2026, a total amount of RMB316,296,000 was refunded.

Other outstanding balances with related parties were all trade in nature. The balances with related parties except for lease liabilities are unsecured, interest-free and have no fixed terms of repayment.

(c) Compensation of key management personnel of the Group:

	2025	2024
	RMB'000	*RMB'000*
Short-term employee benefits	**22,480**	23,666
Pension scheme contributions	**1,065**	1,133
Equity-settled share award expense	**6,148**	10,130
Total compensation paid to key management personnel	**29,693**	34,929

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The Group is an international pharmaceutical company dedicated to the research and development ("R&D"), manufacturing and sale of innovative medications. The Group has established R&D centers in the People's Republic of China (the "PRC" or "China"), the United States ("the U.S.") and Europe, with a robust pipeline of over 30 drug candidates in China and more than 10 drug candidates in other international markets. The Group maintains high-level international standards in novel drug delivery technologies including microspheres, liposomes, and transdermal drug delivery systems. The Group has achieved multiple innovations in new chemical entities and antibodies, and is also actively making strategic developments in the fields of cell therapies and gene therapies.

The Group is developing a global supply chain of 8 manufacturing sites built up around the world, with Good Manufacturing Practice ("GMP") quality management and control systems established in line with international standards. With more than 30 products covering the central nervous system ("CNS"), oncology, cardiovascular, metabolism and other therapeutic areas, the Group's business is conducted in over 80 countries and regions around the world, including the largest pharmaceutical markets – China, the U.S., Europe and Japan, as well as in fast growing emerging markets.

During the twelve months ended 31 December 2025 (the "Reporting Period") and up to the date of this announcement, the Group has persisted in its "innovation-driven" and "internationalization" development strategy and has made remarkable achievements in all aspects of R&D, sales and marketing, business collaborations and manufacturing.

During the Reporting Period, the Group recorded an increase in total revenue of 4.1% to RMB6,308.4 million, as compared to the twelve months ended 31 December 2024.

Market Positioning and Key Products

For the China market, the Group's key products are competitively positioned in four key therapeutic areas (oncology, CNS, cardiovascular and metabolism). According to IQVIA data, during the Reporting Period, oncology, metabolism, cardiovascular and CNS related pharmaceutical products constituted the 1st, 2nd, 4th and 5th largest pharmaceutical markets in China, respectively. The Group's key products portfolio in China includes 6 (Lipusu, Boyounuo, Baituowei, Zepzelca, CMNa and Mimeixin) in oncology therapeutic area, 5 (Seroquel, Ruoxinlin, Rykindo, Meibirui and Ruibailai) in CNS therapeutic area, 3 (Xuezhikang, Oukai and Maitongna) in cardiovascular therapeutic area, 2 (Beixi and Boyouping) in metabolism therapeutic area and 2 (Boyoubei and Boyoujing) in other therapeutic area.

For international markets, the Group's products are mainly positioned in CNS therapeutic area, including Seroquel, Seroquel XR, Erzofri, Rykindo, Rivastigmine once-daily transdermal patch, Rivastigmine Multi-Day Transdermal Patch ("Rivastigmine MD" or "LY30410"), Rotigotine transdermal patches, Fentanyl patches and Buprenorphine patches.

During the Reporting Period, the Group's revenue from oncology therapeutic area increased by 10.2% to RMB2,297.2 million. Revenue from CNS therapeutic area increased by 25.7% to RMB2,028.0 million. Revenue from cardiovascular system therapeutic area decreased by 30.6% to RMB1,152.4 million. Revenue from metabolism therapeutic area decreased by 10.3% to RMB348.8 million. Revenue from other area increased by 53.2% to RMB482.0 million.

The Group's 19 key products are competitively positioned globally for high prevalence medical conditions and their market positions are expected to grow or maintain at its current level.

Key products related to oncology therapeutic area

Lipusu (力撲素)

Lipusu is the only marketed paclitaxel liposome for injection in the world. Its unique formulation allows it to target tumors and lymph nodes and have a longer half-life, making the drug more potent in killing tumor cells, and also safer and better-tolerated. Since its launch, the drug has been widely recognized by physicians and patients in clinical practice, and has also been recommended by multiple authoritative guidelines and consensuses for its efficacy and safety. Lipusu has been included in the China's National Reimbursement Drug List ("NRDL") for all indications.

Boyounuo (博優諾)

Boyounuo (bevacizumab injection) has been approved to the market by the National Medical Products Administration ("NMPA") in China in April 2021. It is an anti-VEGF humanized monoclonal antibody injection developed by Shandong Boan Biotechnology Co., Ltd ("Boan Biotech"), a subsidiary of the Company. As of 31 December 2025, Boyounuo has been approved by the NMPA for the treatment of mCRC, advanced metastatic or recurrent non-small cell lung cancer, recurrent glioblastoma, epithelial ovarian, fallopian tube or primary peritoneal cancer, cervical cancer and hepatocellular carcinoma. In addition, Boyounuo has been included in the NRDL for all indications.

Baituowei (百拓維)

Baituowei (goserelin microspheres for injection) is the world's only marketed formulation of long-acting goserelin microspheres. It is indicated for treating prostate cancer in patients requiring androgen deprivation therapy ("ADT") and for treating breast cancer in premenopausal and perimenopausal women who can be treated with hormones. Developed on the Group's leading microsphere platform, the drug boasts an upgraded formulation and an improved injection method that balance efficacy, safety, and patient experience, offering a more convenient option for clinical use. The Group and BeiGene Ltd. ("BeiGene") (NASDAQ: BGNE; HKEX: 06160; SSE: 688235) are working together to commercialize this product in China. The drug has been included in the NRDL for all indications.

Zepzelca (贊必佳)

Zepzelca is a selective inhibitor of oncogenic transcription. Whilst inhibiting oncogenic transcription and inducing tumor cell apoptosis, it also modulates the microenvironment for tumors to further exert its anti-tumor effects. In December 2024, Zepzelca has been approved by NMPA of China for marketing through the priority review program. The drug is indicated for the treatment of adult patients with metastatic small cell lung cancer ("SCLC") with disease progression on or after platinum-based chemotherapy. Zepzelca is now a Grade I recommendation for second-line treatment of extensive-stage SCLC in the 2025 CSCO Guidelines for the Diagnosis and Treatment of SCLC. The drug is also endorsed by international guidelines from NCCN, ESMO, and others, making it a new standard second-line treatment of SCLC. The drug has been included in the 2025 edition of the Commercial Insurance Innovative Drug List.

The drug has also been approved by the U.S. Food and Drug Administration ("FDA") through its Accelerated Approval Program in 2020. It has been the only new chemical entity approved by the FDA for the treatment of relapsed SCLC in nearly 29 years since 1997. The Group has been granted the rights to develop and commercialize this drug in mainland China, Hong Kong, and Macao, and has received marketing approval for the drug in these three regions.

CMNa (希美納)

CMNa is sodium glycididazole, a proprietary compound that the Group prepares in injectable form and is indicated for use in connection with radiotherapy for certain solid tumours. It is a Class I New Chemical Drug and as far as the Company is aware, the only approved sensitiser for cancer radiotherapy by the NMPA in China. According to the NMPA, CMNa was the only glycididazole product available for sale as of 31 December 2025. A study conducted by an independent third party in 2009 concluded that the use of CMNa for the treatment of certain cancers increased the probability of complete or partial remission and reduced overall treatment costs.

Mimeixin (米美欣)

Mimeixin has been approved to the market by the NMPA in China for the management of severe pain (cancer pain and non-cancer pain) that can only be effectively controlled by opioids in adults in June 2024. Mimeixin is an oral sustained-release tablet combined with oxycodone and naloxone, which exerts analgesic effect through the strong opioid receptor agonist oxycodone, and due to the low oral bioavailability of naloxone, it can directly bind to gastrointestinal opioid receptors to combat oxycodone-induced constipation without affecting the analgesic effect. In addition, Mimeixin employs proprietary drug-locking technology to prevent the grinding, extraction, and conversion of oxycodone, thereby deterring drug abuse. Additionally, naloxone, by antagonizing the activity of oxycodone, can prevent users from experiencing euphoria and induce precipitated withdrawal, a mechanism of action that allows Mimeixin to further mitigate the risk of abuse. The drug has been included in the 2025 NRDL for the first time.

Key products related to CNS therapeutic area

Seroquel (思瑞康) and Seroquel XR (思瑞康緩釋片)

Seroquel (quetiapine fumarate, immediate release, IR) and Seroquel XR (extended release formulation) are atypical antipsychotic medicines with antidepressant properties. The main indications for Seroquel are the treatment of schizophrenia and bipolar disorder. Seroquel XR is also approved in some markets for major depressive disorder ("MDD") and generalised anxiety disorder. In addition to China, Seroquel and Seroquel XR are also marketed by the Group in 50 other developed and emerging countries.

Ruoxinlin (若欣林)

Ruoxinlin (Toludesvenlafaxine Hydrochloride Extended-Release Tablets), as a new chemical entity, has been approved to the market by the NMPA in China for treating MDD in November 2022. As far as the Company is aware, it is the first class 1 innovative chemical drug with independent intellectual property rights for the treatment of MDD developed by a local company in China. Ruoxinlin could comprehensively and stably improve depressive symptoms, including significantly reducing anxiety and retardation/fatigue, relieving anhedonia, improving cognition, and facilitating faster social recovery of patients. Further, the drug does not cause somnolence and has no significant impacts on sexual functioning, bodyweight, and lipid metabolism, demonstrating a favorable safety profile and good tolerability. Ruoxinlin has been included in the NRDL.

Rivastigmine Transdermal Patches (the "Rivastigmine Patch")

The Rivastigmine Patch is rivastigmine in transdermal patches form approved in China, the U.S., Europe, Japan and other emerging countries or regions, indicated for mild to moderate dementia of the Alzheimer's type and dementia due to Parkinson's disease ("PD").

Rykindo (瑞可妥)

Rykindo has been approved for marketing by the NMPA in China in January 2021. It is the first innovative formulation developed under the Group's long acting and extended technology platform that received marketing approval. Rykindo is an extended-release microsphere for injection administered bi-weekly for the treatment of schizophrenia. Rykindo can significantly improve the medication compliance issues which are common among patients with schizophrenia in relation to oral antipsychotic drugs, and simplify the treatment regimen. Patients using Rykindo are also expected to have stable clinically effective plasma drug level and can benefit from more convenient clinical treatment. It has been included in the NRDL. In addition to China, Rykindo has also been approved by the FDA in January 2023, as a treatment for schizophrenia in adults and as monotherapy or as adjunctive therapy to lithium or valproate for the maintenance treatment of bipolar I disorder in adults.

Erzofri or Ruibailai (*瑞百萊*)

Erzofri (paliperidone palmitate) extended-release injectable suspension obtained marketing approval as a new drug under section 505(b)(2) of the Federal Food, Drug and Cosmetic Act (the "505(b)(2) Pathway") in the U.S. in July 2024. It has been approved by the FDA for treatment of schizophrenia in adult patients and for treatment of schizoaffective disorder in adults as monotherapy and as an adjunct to mood stabilizers or antidepressants. This drug, administered once per month, is the first patented paliperidone palmitate long acting injection developed by a Chinese company to be approved in the U.S. with independent intellectual property rights. The product has been granted a patent in the U.S. (Patent No. 11,666,573) in 2023, which will be expired in 2039. In addition to the U.S., Ruibailai (paliperidone palmitate injection (II)) is approved in China for treating patients with schizophrenia in the acute and maintenance phases. It has been included in the 2025 NRDL for the first time.

Meibirui (美比瑞)

Meibirui (Paliperidone Palmitate Injection) has been approved by the NMPA for the acute and maintenance treatment of schizophrenia in June 2024.

Key products related to cardiovascular therapeutic area

Xuezhikang (血脂康)

Xuezhikang is the Group's proprietary natural medicine derived from red yeast rice indicated for hypercholesterolaemia. According to the NMPA, the Group was the only Xuezhikang manufacturer in China as of 31 December 2025. According to IQVIA, the market for lipid regulating drugs in China was estimated to be approximately RMB16.0 billion in the twelve months of 2025. According to IQVIA, Xuezhikang ranked as the most popular natural medicine for the treatment of hypercholesterolaemia and the fifth most-used lipid-regulating drug in China in the twelve months of 2025.

Maitongna (麥通納)

Maitongna is sodium aescinate in injectable form and is indicated for the treatment of cerebral edema and edema caused by trauma or surgery as well as for the treatment of venous reflux disorder. According to IQVIA, the market for vasoprotective pharmaceutical products in China was estimated to be approximately RMB3.8 billion in the twelve months of 2025. Maitongna was the second best-selling domestically manufactured sodium aescinate product in China and ranked as the third most-used vasoprotective pharmaceutical product domestically manufactured in China in the twelve months of 2025.

Oukai (歐開)

As far as the Company is aware, Oukai is the only oral aescinate tablet in China to contain sodium salt and is widely used to treat soft tissue swelling and venous edema caused by various reasons. According to IQVIA, Oukai was ranked as the best-selling vasoprotective pharmaceutical product domestically manufactured in China in the twelve months of 2025.

Key products related to metabolism therapeutic area

BeiXi (貝希)

BeiXi is acarbose in capsule form and is indicated for lowering blood glucose in patients with type 2 diabetes mellitus. According to the NMPA, the Group was the only manufacturer of acarbose in capsule form in the twelve-month period of 2025. According to IQVIA, the market for acarbose products in China was estimated to be approximately RMB1.4 billion in the twelve-month period of 2025 and BeiXi ranked as the second most popular acarbose product domestically manufactured in China in the twelve months of 2025.

Boyouping (博优平)

Boyouping (dulaglutide injection) has been approved by the NMPA for glycemic control in adults with type 2 diabetes in August 2025. It is a long-acting glucagon-like peptide-1 (GLP-1) receptor agonist developed by Boan Biotech, a subsidiary of the Company. Boyouping is the first and only biosimilar to Trulicity® approved for marketing in the world. Boan Biotech is partnering with Shanghai Pharmaceutical Co., Ltd. ("Shaphar") to commercialize this drug in the Chinese mainland. It has been included in the NRDL.

Key products related to other therapeutic area

Boyoubei (博优倍)

Boyoubei (60mg denosumab injection) has been approved by the NMPA for the treatment of postmenopausal women with osteoporosis at high risk for fracture in November 2022. It has been included in the NRDL and Boan Biotech has granted Qingdao Conson Pharmaceutical Co., Ltd. ("Qingdao Conson") the exclusive right to commercialize Boyoubei in Chinese Mainland. In May 2025, it has been approved for marketing in Macau. In January 2026, BA6101 has been approved for marketing by the AGEMED in Bolivia.

Boyoujing (博优景)

Boyoujing (aflibercept intravitreous injection) has been approved by the NMPA for wet nAMD and DME in adults in November 2025. Aflibercept is widely used as a first-line treatment for wet nAMD, DME, Macular Edema Following Retinal Vein Occlusion (RVO), Diabetic Retinopathy (DR), Visual Impair due to Myopic Choroidal Neovascularization (mCNV) and Retinopathy of Prematurity (ROP) worldwide, and its future market is promising driven by the demand in the clinical practice. Boan Biotech has granted Ocumension Therapeutics (a company listed on the Main Board of the Stock Exchange with stock code: 1477) an exclusive right to promote and commercialize Boyoujing in Chinese Mainland. It has been included in the NRDL.

Research and Development

The Group's R&D activities are organised around four platforms in the chemical drug sector – long acting and extended-release technology, liposome and targeted drug delivery, transdermal drug delivery systems and new compounds. The Group has expanded its R&D capability to biological sector supported by Boan Biotech's three cutting-edge platforms, namely Human Antibody Transgenic Mouse and Phage Display Technology, Bispecific T-cell Engager Technology and Antibody-drug Conjugate ("ADC") Technology. The Group balances clinical development risks by strategically allocating its resources between proprietary formulations of proven compounds and new chemical entities as well as biosimilars and novel biologics. The Group believes that its R&D capabilities will be the driving force behind the Group's long-term competitiveness, as well as the Group's future growth and development. As of 31 December 2025, the Group's R&D team consisted of 590 employees, including 53 Ph.D. degree holders and 294 master's degree holders in medical, pharmaceutical and other related areas. As of 31 December 2025, the Group had been granted 251 patents and had 79 pending patent applications in the PRC, as well as 577 patents and 145 pending patent applications overseas.

The Group will continue to invest the products in four strategic therapeutic areas – oncology, CNS, cardiovascular and metabolism. As of 31 December 2025, the Group had 32 PRC pipeline product candidates in various stages of development. These candidates included 19 oncology products, 5 CNS products and 8 other products. Also, the Group had 15 pipeline product candidates in the U.S., Europe and Japan in various stages of development.

During the Reporting Period and up to the date of this announcement, the Group had remarkable R&D achievements in the following product candidates.

R&D progress for non-Boan Biotech's product candidates

LY30410 (Rivastigmine Twice Weekly Transdermal Patch): *the world's first patch formulation of Rivastigmine to be administered twice a week developed by the Group.*

It has been approved for marketing in several European countries in 2021 for the treatment of mild to moderate dementia associated with Alzheimer's disease ("AD"). It has been approved by NMPA in China in October 2023 for the symptomatic treatment of mild to moderate AD.

- In March 2025, it has been approved for marketing by the Ministry of Health, Labour and Welfare of Japan as a new drug for suppression of the progression of dementia symptoms in mild to moderate Alzheimer's disease. The product is to be marketed as Rivaluen® LA Patch 25.92 mg/51.84 mg. It is the first extended-release Rivastigmine transdermal patch product approved for marketing in Japan. To expedite the availability of this innovative treatment for Japanese patients, the Group entered into an agreement with Towa Pharmaceutical Co., Ltd. ("Towa") in December 2020, granting the latter an exclusive license for the development and commercialization of the Rivastigmine Twice Weekly Transdermal Patch in the Japanese market.

Ruoxinlin (Toludesvenlafaxine Hydrochloride Extended-Release Tablets): *China's first independently developed and patented Class 1 innovative chemical drug for the treatment of MDD.*

It has been approved to for marketing by the NMPA in Chinese mainland for treating MDD in November 2022.

- In April 2025, it has been approved for marketing in Macao by the Pharmaceutical Administration Bureau of the Macao SAR Government.

- In August 2025, all patients have been enrolled for a phase 3 clinical trial of Ruoxinlin for the treatment of Generalized Anxiety Disorder ("GAD").

- In January 2026, NMPA has accepted the NDA for Ruoxinlin for the new indication of GAD.

Rotigotine Luye (rotigotine transdermal patch): *the first generic transdermal patch of Neupro launched in European market.*

It is indicated for the treatment of the signs and symptoms of early-stage and advanced idiopathic Parkinson's disease ("PD"), as well as moderate-to-severe idiopathic restless legs syndrome ("RLS") in adults. Rotigotine Luye patches have the same dosage strengths as Neupro patches. At the equivalent dosage strength, a Rotigotine Luye patch is 8% smaller in size and has a lower drug load compared to a Neupro patch. Furthermore, unlike Neupro patches, the adhesive substrate of Rotigotine Luye patches does not contain sodium metabisulfite, a known contact allergen that may cause allergic reactions.

- In April 2025, it was launched in the United Kingdom (the "UK").

LY03015: *an innovative VMAT2 (vesicular monoamine transporter 2) inhibitor and a Sigma-1 receptor agonist, intended for the treatment of tardive dyskinesia ("TD") and Huntington's disease ("HD") independently developed by the Group.*

Preclinical studies show that, compared to marketed VMAT2 inhibitors, LY03015 exhibits enhanced Sigma-1R activation, offering a dual mechanism of symptom control and pathological improvement. It demonstrates superior pharmacological activity both in vitro and in vivo. It is not metabolized by CYP2D6, thereby reducing the risk of individual differences in safety and efficacy that comes from the genetic polymorphism of CYP2D6. A Phase 1 clinical trial shows that LY03015 is generally safe and well-tolerated with a relatively long half-life, which can be administered orally once a day.

- In January 2025, LY03015 has completed the enrollment of the first patient in China for a phase 2 clinical trial. The phase 2 clinical trial of LY03015 conducted in China is a multicenter, randomized, double-blind, and placebo-controlled study in TD patients.

LY03017: *a serotonin 2A receptor ("5-HT_{2A} R") inverse agonist and serotonin 2C receptor ("5-HT_{2C} R") antagonist, intended for the treatment of Parkinson's disease psychosis ("PDP"), Alzheimer's disease psychosis ("ADP"), and the negative symptoms of schizophrenia ("NSS"), independently developed by the Group.*

The pathogenesis of PDP, ADP, and NSS remains unclear, but it is believed to be associated with upregulation or hyperactivity of 5-HT_{2A} receptors in the brain. LY03017 acts as an inverse agonist at 5-HT_{2A} receptors and an antagonist at 5-HT_{2C} receptors, inhibiting dopamine release in the ventral striatum while promoting dopamine release in the prefrontal cortex. This mechanism allows it to treat hallucinations and delusions in patients with PDP and ADP, as well as improve NSS.

Preclinical studies have shown that LY03017 demonstrates significantly superior in vivo and in vitro pharmacological activity, tissue distribution, and cardiac safety compared to the currently marketed and investigational products. It holds promise for breakthroughs in the treatment of ADP and NSS, and may offer improved efficacy over the existing therapy for PDP.

- In January 2025, a single ascending dose ("SAD") study of LY03017 was completed in China, showing good safety. In May 2025, the first subject was enrolled in the multiple ascending dose ("MAD") study.

- In November 2025, LY03017 has received clearance of an Investigational New Drug ("IND") application from the FDA to initiate clinical trials in the U.S..

LY03020: *a next generation antipsychotic and the first dual-target agonist against both the trace amine associated receptor 1 (TAAR1) and the 5-HT_{2C} R in the world independently developed by the Group. Compared to investigational products of the same category, it eliminates activity at the serotonin 1A receptor (5-HT1a R), which addresses the defect of target desensitization. It also increases 5-HT_{2C} R activity and is anticipated to have better efficacy and to control lipid metabolic disorders.*

Preclinical studies have demonstrated that LY03020 significantly improves the positive and negative symptoms as well as cognitive impairments associated with schizophrenia, and also significantly improves the positive and negative symptoms of ADP. In head-to-head comparisons with marketed second – and third-generation antipsychotics, LY03020 has shown superior efficacy, without noticeable risks for extrapyramidal symptoms (EPS) as well as metabolic syndromes like weight gain and abnormal glucose/lipid levels, which have the potential to better meet clinical need.

- In February 2025, it has completed the SAD study in China, demonstrating a favourable safety profile. The enrollment of the first subject for the MAD study has been completed in August 2025.

- In January 2025, it has obtained the approval from the FDA to initiate clinical trials in the U.S. for treating schizophrenia.

LY03021: *An innovative compound independently developed by the Group, intended for the treatment of MDD. It functions as a g– aminobutyric acid type A receptor-positive allosteric modulator ($GABA_A$ R PAM), as well as an inhibitor of both the norepinephrine transporter ("NET") and the dopamine transporter ("DAT"). Compared to marketed and investigational products of the same category, LY03021 exhibits enhanced NET and DAT inhibition, which not only increases antidepressant efficacy but also addresses the inherent risk of consciousness impairment associated with $GABA_A$ R-targeted therapies through the wake-promoting effects of norepinephrine (NE) and dopamine (DA).*

Non-clinical studies have shown that LY03021 significantly improved depressive symptoms in animal models 24 hours after administration, and maintained these effects with continuous administration until the end of the 21-day study, demonstrating the characteristics of rapid onset and sustained efficacy. In the repeat-dose toxicity studies, the NOAEL (no observed adverse effect level) is 50 times above its effective dose, indicating the wide margin of safety for LY03021.

- In August 2025, the first subject has been enrolled in a phase 1 clinical trial in China for LY03021.

R&D progress for Boan Biotech's products candidates

Boyoubei (BA6101, 60mg Denosumab Injection): *a human immunoglobulin G2 monoclonal antibody of the RANK ligand and the first biosimilar to Prolia independently developed by Boan Biotech.*

It has been approved for marketing by the NMPA in China for the treatment of postmenopausal women with osteoporosis at high risk for fracture in November 2022.

- In May 2025, it has been approved for marketing in Macau.

- In November 2025, the MAA for BA6101 has been accepted by the MHRA in the UK.

- In January 2026, BA6101 has been approved for marketing by the AGEMED in Bolivia.

Boluojia (BA1102, 120mg Denosumab Injection): *a fully human IgG2 anti-RANKL monoclonal antibody and a biosimilar to Xgeva independently developed by Boan Biotech.*

It has been approved for marketing by the NMPA in China for the treatment of giant cell tumor of bone ("GCTB") that is unresectable or where surgical resection is likely to result in severe morbidity in adults and skeletally mature adolescents (defined as having at least one mature long bone and with body weight ≥45 kg) in May 2024.

- In May 2025, it has been approved for marketing in Macau.

- In November 2025, the MAA for BA1102 has been accepted by the MHRA in the UK.

Boyouping (BA5101, Dulaglutide Injection): *a long-acting glucagon-like peptide-1 (GLP-1) receptor agonist and a biosimilar to Trulicity independently developed by Boan Biotech.*

Boyouping is indicated for glycemic control in adults with type 2 diabetes. Boyouping is the first and only biosimilar to Trulicity approved for marketing in the world.

- In August 2025, it has been approved for marketing in China for glycemic control in adults with type 2 diabetes.

Boyoujing (BA9101, aflibercept intravitreous injection): *a recombinant human vascular endothelial growth factor receptor antibody fusion protein ophthalmic injection and a biosimilar to Eylea.*

Aflibercept is widely used as a first-line treatment for wet nAMD, DME, Macular Edema Following Retinal Vein Occlusion (RVO), Diabetic Retinopathy (DR), Visual Impair due to Myopic Choroidal Neovascularization (mCNV) and Retinopathy of Prematurity (ROP) worldwide, and its future market is promising driven by the demand in the clinical practice.

- In November 2025, it has been approved for marketing in China for wet nAMD and DME in adults.

BA1104 (Nivolumab injection): *a monoclonal antibody that can enhance the immune response of T cells against tumors by preventing the programmed cell death 1 (PD-1) receptor from binding to its ligands PD-L1 and PD-L2. It is a biosimilar to Opdivo independently developed by Boan Biotech.*

In October 2023, the first patient in the phase 3 clinical trial of BA1104 in China was enrolled. As the date of this announcement, this phase 3 clinical trial is progressing well.

- In March 2025, Boan Biotech has held a Biological Product Development (BPD) type 2b meeting with FDA. The FDA has agreed on a "streamlined" clinical approach for BA1104, which means only one pharmacokinetics (PK) similarity study (Phase 1) is sufficient to support the submission of Biologic License Application (BLA) in the U.S., and the comparative clinical study (CCS, Phase 3) is not needed.

- In October 2025, all of the patients have been enrolled in a phase 3 clinical trial of BA1104 in China. This is China's first biosimilar of Opdivo to undergo a phase 3 clinical trial.

BA1302: *a novel CD228-directed ADC independently developed by Boan Biotech.*

CD228 is a glycosylphosphatidylinositol (GPI)-anchored glycoprotein first identified in melanoma. It plays a role in tumor migration and proliferation. The protein is highly expressed in various tumors, including sqNSCLC, pancreatic cancer, melanoma, breast cancer, mesothelioma, and colorectal cancer. In contrast, its expression is low in normal tissues. This high specificity to tumor cells makes CD228 an ideal target for ADC therapies.

The antibody of BA1302 is generated from Boan Biotech's proprietary fully human antibody transgenic mice platform – BA-huMab®. It exclusively binds to the membrane-bound form of CD228 without interacting with its soluble form, sMFI2. This feature minimizes payload release in non-target cells and reduces off-target toxicity. Additionally, BA1302 employs the cysteine conjugation technique, which provides excellent in vivo and in vitro stability as well as potent anti-tumor activity.

- In March 2025, it has recently been granted the ODD for the treatment of squamous non-small-cell lung cancer (sqNSCLC) and pancreatic cancer by the FDA, respectively.

- In June 2025, it has been approved by the FDA to initiate clinical trials in the U.S..

BA1106: *a non-IL-2 blocking anti-CD25 antibody independently developed by Boan Biotech.*

BA1106 is able to overcome both challenges thanks to molecular engineering design. In vitro activity assays show that BA1106 has a "moderate" antibody-dependent cellular cytotoxicity (ADCC): it can effectively deplete Tregs in which CD25 is highly expressed to relieve immunosuppression while sparing Teffs with a relatively low CD25 expression. In this process, BA1106 does not interfere with the IL-2 signaling pathway, to ensure the functioning of Teffs in immune responses.

- In April 2025, the early results from a multicenter, open-label, first-in-human phase 1 clinical trial has been presented at the 2025 AACR.

- In June 2025, the dose escalation clinical trial of BA1106 in combination with BA1104 began patient enrollment.

BA1301*: an ADC candidate that targets Claudin 18.2 independently developed by Boan Biotech.*

BA1301 utilizes C-Lock site-specific conjugation to link the tubulin inhibitor payload, Duostatin-5, with a CLDN18.2-targeting monoclonal antibody. This enables the precise delivery of the cytotoxic payload to tumors, maximizing the anti-tumor activity while reducing the off-target toxicity and widening the therapeutic window. In addition, the bystander effect of the ADC further enhances its efficacy against heterogeneous tumors in gastric cancer and other GI malignancies.

- In October 2025, the preliminary results of the ongoing phase 1 clinical study for BA1301 has been presented at the ESMO 2025.

Sales, Marketing and Business Collaborations

For global market

The business of the Group covers 80 countries or regions including the U.S., countries in the European Union, Japan, Association of Southeast Asian Nations, Latin America, Gulf Cooperation Council region and other emerging countries or regions. The Group also has strong sales partnerships with more than 50 partners throughout the world.

During the Reporting Period, we have made remarkable business progress in relation to our products in overseas market as below:

- In March 2025, Rivastigmine Twice Weekly Transdermal Patch has been approved for marketing in Japan.

- In April 2025, Erzofri has been available for commercial sale in the U.S. for the treatment of adults with schizophrenia and as a monotherapy or adjunct therapy for the treatment of adults with schizoaffective disorder.

- In April 2025, Rotigotine Luye (rotigotine transdermal patch) has been launched in the UK.

- In May 2025, Erzofri has made its first show at the American Psychiatric Association (APA) Annual Meeting.

- In January 2026, Boyoubei has been approved for marketing in Bolivia.

For China market

The Group has established an extensive nationwide sales and distribution network and sold its products to 31 provinces, autonomous regions and municipalities throughout the PRC as of 31 December 2025. The Group's sales, marketing and distribution functions are conducted through around 1,000 sales and marketing personnel, a network of approximately 1,850 distributors that collectively enabled the Group to sell its products to over 22,600 hospitals, which comprised approximately 2,320 or approximately 89.5% of all Class III hospitals, approximately 6,100 or approximately 67.2% of all Class II hospitals and approximately 14,180 or approximately 65.0% of all Class I and other hospitals and medical institutions, in the PRC as of 31 December 2025. The Group believes that its sales and marketing model, together with the extensive coverage of hospitals and other medical institutions represent a significant competitive advantage and a culmination of both academic promotions by the Group's in house personnel in different regions and partnerships with high-quality distributors across China. The Group also believes that its sales and marketing model provides a solid foundation for the Group to continue to enhance market awareness of its brand and expand the market reach of its products.

- In April 2025, Ruoxinlin has been approved for marketing in Macao.
- In May 2025, Boyoubei and Boluojia have been approved for marketing in Macau.
- In August 2025, Boyouping has been approved for marketing in China.
- In November 2025, Boyoujing has been approved for marketing in China.

For business collaborations

During the Reporting Period, we have explored a number of cooperations with well-known domestic and foreign companies in relation to our products around the world as below:

- In January 2025, Boan Biotech has granted the promotion rights of denosumab injection (BA6101 and BA1102) in Hong Kong SAR and Macau SAR to Kexing Biopharm Co., Ltd. ("Kexing").
- In June 2025, Boan Biotech has granted Shanghai Pharmaceutical Co., Ltd. ("Shaphar") the exclusive right to market and distribute Boyouping through all channels in the Chinese mainland.
- In June 2025, Boan Biotech has granted Kexing the exclusive right to market and distribute BA9101 in all countries and regions in the world except for the Chinese mainland, the European Union, the UK, the U.S., and Japan.
- In December 2025, Boan Biotech has granted Nanjing King-Friend Biochemical Pharmaceutical Co., Ltd. ("NKF") the exclusive rights to commercialize two denosumab injections (BA6101 and BA1102) in the U.S..
- In December 2025, we have granted Jiangsu Nhwa Pharmaceutical Co., Ltd. ("Nhwa") the exclusive rights to commercialize Rykindo, Ruibailai, and Meibirui in the Chinese mainland.

Manufacturing

The Group is developing a global supply chain of 8 manufacturing sites around the world, with GMP quality management and control systems established in line with international standards. For the twelve months ended 31 December 2025, the Group has been working on establishing a global quality control and quality assurance system as well as information platform to ensure the successful integration of the Group's global manufacturing facility system. The manufacturing site for transdermal patches in Miesbach, Germany, is running at full capacity and is striving to increase output to address growing customer demands. Several customer audits and an inspection by the Government of Upper Bavaria confirmed compliance with GMP standards. New customers were on-boarded during the Reporting Period and their product launches were supported as per customer timelines. Significant investments in additional production capacity are under way in the framework of "Project Miesbach 2027" with the first significant milestone achieved – namely starting operation of the new packaging operation which will double the technical capacity.

Post Results Outlook

During the Reporting Period, the Group recorded an increase of 4.1% in revenue in the twelve months of 2025 compared to that of 2024. Despite certain pricing pressures on legacy products, our total revenue reached a new five-year peak driven by the approval and rapid growth of new products. Meanwhile, net profit attributable to owners of the parent increased from RMB471.9 million in 2024 to RMB618.7 million, representing a high growth rate of 31.1%. This demonstrates that the Company's profitability has improved significantly driven by the launch of high-margin new products and effective expense control. With the rapid increase in the sales of newly approved products over the past three years, and the expected approval and launch of more new products in the future, the Group anticipates that the revenue and profits will grow sustainably further.

The Group believes that the following matters could be potential developments or progress that shareholders or other stakeholders can look forward to in the next twelve months:

- In 2025, the Group's denosumab injection has completed the enrollment of all subjects in the international multi-center clinical trial in Europe, the U.S. and Japan. We have submitted the MAA for these two denosumab injections (BA6101 and BA1102) in the UK in November 2025 and plan to submit the BLA for them in the U.S. by the mid of 2026.

- The Group expects that several innovative drugs may complete relevant clinical trials or have partial data readouts. For example, LY03015 may complete its phase 2 clinical trial in China and the efficacy data from this study may be read out by the mid of 2026. LY03017 has initiated its phase 2 clinical trial in China in the first half of 2026. LY03020 has initiated its phase 2 clinical trial in China in the first half of 2026. The phased clinical data of phase 1 clinical trial for BA1301 may be disclosed in the 2026 ASCO. The combination therapy of BA1106 and BA1104 may obtain the phased results of efficacy and the results may be disclosed at academic conference within 2026. BA1302 is undergoing the phase 1 clinical trial and the phased results may also be disclosed at academic conference within 2026. In addition, the Group also has three pre-clinical stage pipeline product, BA2201 (TL1A/IL23 antibody, BA1203 (PD-1/IL-2 probody) and BA1304 (EGFR/B7H3 bispecific ADC) may submit IND applications in 2026.

- The Group has continuously discussed with a number of pharmaceutical companies (including multinational corporations) or investment institutions for the licensing or co-development of the Group's innovative drug pipelines. With such a wealth of R&D progress, it is expected that there may be some opportunities for global cooperation reached in the next twelve months.

In addition to the potential catalysts mentioned above, the Group will further strengthen sales of our existing products, especially those newly approved in the past three years, including Baituowei, Zepzelca, Mimeixin, Ruoxinlin, Erzofri and etc. In addition, the first domestically manufactured dulaglutide injection was approved and launched in China, and the major ophthalmology product aflibercept intravitreous injection also received marketing approval in 2025. These two new products will contribute a full year of revenue growth for the first time in 2026. Mimeixin and Ruibailai have been included in the 2025 NRDL for the first time and Zepzelca has been included in the 2025 edition of the Commercial Insurance Innovative Drug List. The Group believes that these three products with better coverage by the multi-tiered health insurance system through various access pathways, will not only make these drugs more affordable for patients in the relevant disease areas and reduce their treatment burdens, but will also accelerate market penetration and coverage of the drugs, laying a solid foundation for their long-term, high-quality growth.

In terms of R&D, the Group will continue to optimize the pipeline structure and strengthen the input and output of new molecule innovative candidates with new mechanisms. Continuous innovation will enhance the Group's long-term market competitiveness and international influence.

In summary, the Group will simultaneously focus on the rapid ramp-up of new products, the forward-looking layout and timely optimization of innovative R&D, as well as cost and expense efficiency improvement. This will enable long-term sustainable growth in revenue and profit, and deliver both short-term and long-term value returns to the Group's shareholders.

FINANCIAL REVIEW

Revenue

For the Reporting Period, the Group's revenue amounted to approximately RMB6,308.4 million, as compared to RMB6,061.4 million for the year ended 31 December 2024, representing an increase of approximately RMB247.0 million, or 4.1%. The increase was mainly attributable to an increase in sales from certain products and license out as further elaborated below.

For the Reporting Period, the Group's revenue from sales of oncology products increased to RMB2,297.2 million, as compared to RMB2,084.6 million for the year ended 31 December 2024, representing an increase of approximately RMB212.6 million, or 10.2%, primarily attributable to increase in sales of various oncology products during the year.

For the Reporting Period, revenue from sales of cardiovascular system products decreased to RMB1,152.4 million, as compared to RMB1,660.0 million for the year ended 31 December 2024, representing a decrease of approximately RMB507.6 million, or 30.6%, primarily attributable to the decrease in sales of few cardiovascular system products of the Group.

For the Reporting Period, revenue from sales of alimentary tract and metabolism products decreased to RMB348.8 million, as compared to RMB388.9 million for the year ended 31 December 2024, representing a decrease of approximately RMB40.1 million, or 10.3%, primarily attributable to the decrease in sales of various other alimentary tract and metabolism products of the Group.

For the Reporting Period, revenue from CNS products increased to RMB2,028.0 million, as compared to RMB1,613.3 million for the year ended 31 December 2024, representing an increase of approximately RMB414.7 million or 25.7%, primarily attributable to the increase in sales of various CNS products and license out fee of the Group.

For the Reporting Period, revenue from sales of other products increased to RMB482.0 million, as compared to RMB314.7 million for the year ended 31 December 2024, representing an increase of approximately RMB167.3 million, or 53.2%, primarily attributable to the increase in sales of various other products of the Group.

Cost of Sales

The Group's cost of sales increased from RMB2,017.2 million for the year ended 31 December 2024 to approximately RMB2,145.8 million for the Reporting Period, which accounted for approximately 34.0% of the Group's total revenue for the same year. The Group's increase in cost of sales was mainly attributable to the higher sales of higher cost products for the Reporting Period, as compared to the year ended 31 December 2024.

Gross Profit

For the Reporting Period, the Group's gross profit increased to RMB4,162.6 million, as compared to RMB4,044.2 million for the year ended 31 December 2024, representing an increase of approximately RMB118.4 million, or 2.9%. The gross profit margin of 66.0%, decreased from 66.7% for the year ended 31 December 2024, mainly due to higher sales of lower margin products of the Group for the Reporting Period, as compared to the year ended 31 December 2024.

Other Income and Gains

The Group's other income and gains mainly comprised of government grants, interest income and investment income. For the Reporting Period, the Group's other income and gains increased to RMB472.4 million, as compared to RMB360.0 million for the year ended 31 December 2024, representing an increase of approximately RMB112.4 million, or 31.2%. The increase was mainly attributable to higher fair value gain adjustment of derivative instruments and net foreign exchange gain offset by lower government grant during the Reporting Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses consisted of expenses that were directly related to the Group's marketing, promotion and distribution activities. For the Reporting Period, the Group's selling and distribution expenses amounted to RMB1,826.2 million, as compared to RMB1,816.4 million for the year ended 31 December 2024, representing an increase of

RMB9.8 million, or 0.5%. The increase was mainly attributable to higher staff cost. As a percentage of revenue, the Group's selling and distribution expenses decreased to 28.9%, as compared to 30.0% for the year ended 31 December 2024.

Administrative Expenses

The Group's administrative expenses primarily consisted of staff cost, general operating expense, conference and entertainment expense, travel and transportation expense, depreciation, amortisation and impairment loss, auditor's remuneration, consulting expenses, bank charges, taxation and other administrative expenses. For the Reporting Period, the Group's administrative expenses amounted to approximately RMB679.6 million, as compared to RMB582.0 million for the year ended 31 December 2024, representing an increase of approximately RMB97.6 million, or 16.8%. The increase was mainly due to increase staff cost and consulting expenses during the Reporting Period.

Other Expenses

The Group's other expenses primarily consisted of R&D costs, donations, foreign exchange loss and miscellaneous expenses. For the Reporting Period, the Group's other expenses amounted to approximately RMB466.4 million, as compared to RMB604.0 million for the year ended 31 December 2024, representing a decrease of approximately RMB137.6 million, or 22.8%. The decrease was mainly due to a substantially lower R&D cost and no foreign exchange loss during the Reporting Period.

Finance Costs

For the Reporting Period, the Group's finance costs amounted to RMB686.6 million, as compared to RMB561.8 million for the year ended 31 December 2024, representing an increase of approximately RMB124.8 million, or 22.2%. The increase was mainly due to the higher interest on bank and convertible bond interest for the Reporting Period, as compared to the corresponding year ended 31 December 2024.

Income Tax Expense

For the Reporting Period, the Group's income tax expense amounted to RMB239.0 million, as compared to RMB194.2 for the year ended 31 December 2024, representing an increase of RMB44.8 million, or 23.1%. The effective tax rate for the Reporting Period is 25.3%, as compared to 23.1% for the year ended 31 December 2024.

Net Profit

The Group's net profit for the Reporting Period was approximately RMB705.7 million, as compared to RMB645.0 million for the year ended 31 December 2024, representing an increase of approximately RMB60.7 million, or 9.4%.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 31 December 2025, the Group had net current assets of approximately RMB5,296.9 million, as compared to approximately RMB2,539.0 million as at 31 December 2024. The current ratio of the Group increased slightly to approximately 1.53 as at 31 December 2025 from approximately 1.24 as at 31 December 2024. The increase in current ratio was mainly attributable to slightly higher current assets and slightly lower current liabilities.

Borrowings and Pledge of Assets

As at 31 December 2025, the Group had an aggregate interest-bearing loans and borrowings of approximately RMB8,352.0 million, as compared to approximately RMB8,294.4 million as at 31 December 2024. Amongst the loans and borrowings, approximately RMB6,694.1 million are repayable within one year, and approximately RMB1,657.9 million are repayable after one year. RMB6,511.4 million of the loans and borrowings of the Group carried interest at fixed interest rate. As at 31 December 2025, the Group's borrowings were primarily denominated in RMB, Hong Kong dollars and U.S. dollars, and the cash and cash equivalents were primarily denominated in RMB, Hong Kong dollars and U.S. dollars.

Gearing Ratio

As at 31 December 2025, the gearing ratio of the Group, which is calculated by dividing total borrowings by total equity, decreased to 45.5% from 52.7% as at 31 December 2024. The decrease was primarily due to a decrease in the Group's total borrowings during the Reporting Period.

Contingent Liabilities

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

Foreign Exchange and Exchange Rate Risk

The Group primarily operates in the PRC and is exposed to foreign currency risk arising from fluctuations in exchange rate between RMB and other currencies in which the Group conducts its business. The Group is subject to foreign currency risk attributable to the bank balances, trade and other receivables and payables as well as bank loans that are denominated in currencies other than RMB. The Group seeks to limit the exposure to foreign currency risk by minimising its net foreign currency position. The Group did not enter into any hedging transactions in respect of foreign currency risk as at 31 December 2025. The Directors expect that the fluctuation of the RMB exchange rate will not have a material adverse effect on the operation of the Group.

Hedging Activities

As at 31 December 2025, the Group did not use any financial instruments for hedging purposes and did not enter into any hedging transactions in respect of foreign currency risk or interest rate risk.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group does not have other plans for material investments or capital assets.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On 26 January 2026, certain capital injection agreements were entered into by the Group, whereby among other things, 南京信安投資有限公司 (Nanjing Xian'an Investment Co., Ltd.) and 寧波信達華建投資有限公司 (Ningbo Xinda Huajian Investment Co., Ltd.) agreed to provide further capital to Nanjing Luye for a total amount of RMB285,000,000 (the "Capital Injection"). Upon completion of the Capital Injection, Nanjing Luye is owned as to 70.01% by 綠葉製藥(深圳)有限公司 (Luye Pharma (Shenzhen) Co. Ltd.) and therefore will continue to be treated as a subsidiary of the Company. For further details of the Capital Injection, please refer to the announcement of the Company dated 27 January 2026.

Other than the above, there were no other significant events that required additional disclosure or adjustments occurred after the end of the reporting period.

FINAL DIVIDEND

No dividends were declared for the year ended 31 December 2025 (2024: Nil).

CLOSURE OF REGISTER OF SHAREHOLDERS

The Company's annual general meeting will be held on Friday, 26 June 2026. For determining eligibility to attend and vote at the annual general meeting, the register of shareholders of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the annual general meeting will be Friday, 26 June 2026. In order to be eligible to attend and vote at the annual general meeting, all transfer of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 22 June 2026.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own code of corporate governance.

The amendments to the CG Code came into effect on 1 July 2025 and the requirements under the new CG Code will apply to the corporate governance reports and annual reports of the Company for the financial years commencing on or after 1 July 2025. The Company will continue to review and enhance the corporate governance practices to ensure compliance with the new CG Code and align with the latest developments.

As at 31 December 2025 and up to the date of this announcement, the Company has complied with all the applicable code provisions set out in Part 2 of the CG Code, except for the following deviation:

Code provision C.2.1 of the CG Code

The roles of chairman and chief executive officer should be separate and should not be performed by the same individuals.

Under the current organisation structure of the Company, Mr. Liu Dian Bo is the Executive Chairman of the Board and the Chief Executive Officer. With extensive experience in the pharmaceutical industry, the Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the business prospects and management of the Group. The balance of power and authority is ensured by the operation of the senior management and the Board, which comprise experienced and high calibre individuals.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") set out in Appendix C3 to the Listing Rules. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code for the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities (including treasury shares) of the Company for the Reporting Period. As at 31 December 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The audit committee has reviewed together with the Board the accounting principles and policies adopted by the Group, the audited annual results and the audited consolidated financial statements of the Group for the year ended 31 December 2025. The audit committee also approved the annual results and the consolidated financial statements for the year ended 31 December 2025 and submitted them to the Board for approval.

PUBLICATION OF THE AUDITED CONSOLIDATED ANNUAL RESULTS AND 2025 ANNUAL REPORT ON THE WEBSITES OF THE SEHK AND THE COMPANY

In accordance with the requirements under the Listing Rules applicable to the Reporting Period, the 2025 annual report containing all the information about the Company set out in this announcement including the financial results for the Reporting Period will be posted on the Company's website (www.luye.cn) and the website of the SEHK (www.hkexnews.hk) in due course.

By order of the Board
LUYE PHARMA GROUP LTD.
LIU Dian Bo
Chairman

Hong Kong, 30 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. LIU Dian Bo, Mr. YANG Rong Bing, Mr. YUAN Hui Xian and Ms. ZHU Yuan Yuan; the non-executive directors of the Company are Mr. SONG Rui Lin and Mr. HUANG Liming; and the independent non-executive directors of the Company are Mr. ZHANG Hua Qiao, Professor LO Yuk Lam, Mr. LEUNG Man Kit, Mr. CHOY Sze Chung Jojo and Ms. XIA Lian.