FOSUN PHARMA

INNOVATION FOR GOOD HEALTH

上海復星醫藥(集團)股份有限公司

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
Stock Code: 02196

ANNUAL REPORT 2025

*For identification purposes only

Vision

We are dedicated to being the global leading integrator of pharmaceutical and health innovation.

Mission

Better health for families worldwide.

Contents

Corporate Information

DIRECTORS

Executive Directors

Mr. Chen Yuqing (陳玉卿) *(Chairman)*[1]
Ms. Guan Xiaohui (關曉暉) *(Co-chairman)*[2]
Mr. Wen Deyong (文德鏞) *(Vice Chairman)*[3]
Mr. Wang Kexin (王可心)[4]
Mr. Liu Yi (劉毅) *(Chief Executive Officer)*[5]

Non-executive Directors

Mr. Chen Qiyu (陳啟宇)
Mr. Pan Donghui (潘東輝)
Mr. Wu Yifang (吳以芳)[6, 7]
Mr. Xu Xiaoliang (徐曉亮)[8]

Independent Non-executive Directors

Mr. Yu Tze Shan Hailson (余梓山)
Mr. Wang Quandi (王全弟)
Mr. Chen Penghui[9]
Mr. Yang Yucheng (楊玉成)[9]
Ms. Li Ling (李玲)[10]
Mr. Tang Guliang (湯谷良)[10]

Employee Director

Ms. Yanjia (嚴佳)[11]

JOINT COMPANY SECRETARIES

Ms. Dong Xiaoxian (董曉嫻)
Ms. Chan Sau Ling (陳秀玲)

AUTHORIZED REPRESENTATIVES

Mr. Chen Yuqing (陳玉卿)[12]
Ms. Chan Sau Ling (陳秀玲)
Mr. Wu Yifang (吳以芳)[13]

STRATEGIC COMMITTEE

Mr. Chen Yuqing (陳玉卿) *(Chairman)*[14]
Mr. Wang Kexin (王可心)
Mr. Chen Qiyu (陳啟宇)
Mr. Chen Penghui[14]
Mr. Wu Yifang (吳以芳)[15]
Mr. Xu Xiaoliang (徐曉亮)[15]
Ms. Li Ling (李玲)[15]

AUDIT COMMITTEE

Mr. Yang Yucheng (楊玉成) *(Chairman)*[14]
Mr. Wang Quandi (王全弟)
Mr. Chen Penghui[14]
Mr. Tang Guliang (湯谷良)[15]
Ms. Li Ling (李玲)[15]

NOMINATION COMMITTEE

Mr. Wang Quandi (王全弟) *(Chairman)*
Mr. Yu Tze Shan Hailson (余梓山)[14]
Mr. Chen Penghui[14]
Mr. Pan Donghui (潘東輝)
Ms. Guan Xiaohui (關曉暉)[14]
Ms. Li Ling (李玲)[15]

REMUNERATION AND APPRAISAL COMMITTEE

Mr. Chen Penghui *(Chairman)*[14]
Mr. Yu Tze Shan Hailson (余梓山)[16]
Mr. Yang Yucheng (楊玉成)[14]
Mr. Chen Qiyu (陳啟宇)
Mr. Pan Donghui (潘東輝)
Mr. Tang Guliang (湯谷良)[15]
Mr. Wang Quandi (王全弟)[15]

1 Appointed as Chairman of the Board of the Company, and redesignated from a Non-executive Director to an Executive Director on 29 April 2025.
2 Redesignated from Vice Chairman to Co-Chairman of the Board on 29 April 2025.
3 Appointed as Vice Chairman of the Board on 29 April 2025, and retired as Chief Executive Officer on 24 June 2025.
4 Resigned as Co-Chairman of the Board on 29 April 2025.
5 Appointed as Chief Executive Officer of the Company on 24 June 2025, and appointed as an Executive Director on 2 December 2025.
6 Resigned as Chairman of the Board, and redesignated from an Executive Director to a Non-executive Director on 29 April 2025.
7 Resigned as a Non-executive Director on 30 September 2025.
8 Retired as a Non-executive Director on 24 June 2025.
9 Appointed as an Independent Non-executive Director on 24 June 2025.
10 Retired as an Independent Non-executive Director on 24 June 2025.
11 Served as an Employee Director with effect from 24 June 2025.
12 Appointed with effect from 29 April 2025.
13 Resigned on 29 April 2025.
14 Appointed on 24 June 2025.
15 Retired on 24 June 2025.
16 Redesignated from Chairman to a member of the Remuneration and Appraisal Committee on 24 June 2025.

Note: Following the approvals obtained at the annual general meeting, the 2025 first A Shareholders class meeting and the 2025 first H Shareholders class meeting of the Company held on 24 June 2025, the Supervisory Committee of the Company was dissolved with effect from the conclusion of such meetings. Mr. Chen Bing, Mr. Guan Yimin and Ms. Wang Lina retired as Supervisors of the Company on the same day.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Yu Tze Shan Hailson (余梓山) *(Chairman)*
Mr. Wang Quandi (王全弟)
Mr. Chen Yuqing (陳玉卿)[14]
Mr. Yang Yucheng (楊玉成)[14]
Ms. Guan Xiaohui (關曉暉)
Ms. Li Ling (李玲)[15]
Mr. Wu Yifang (吳以芳)[15]

REGISTERED OFFICE

9th Floor, No. 510 Caoyang Road
Putuo District
Shanghai, 200063, China

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Building A
No. 1289 Yishan Road
Shanghai, 200233, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1917, 19th floor, Lee Garden One
33 Hysan Avenue, Causeway Bay
Hong Kong[17]

LEGAL ADVISERS IN HONG KONG

Reed Smith Richards Butler LLP

LEGAL ADVISERS IN THE PRC

Grandall Law Firm (Shanghai)

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27th floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong

PRINCIPAL BANKS

The Export-Import Bank of China
Industrial and Commercial Bank of China
Bank of China
China Merchants Bank
Shanghai Pudong Development Bank
The Hongkong and Shanghai Banking Corporation Limited

CORPORATE NAME

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.*

STOCK ABBREVIATION

FOSUN PHARMA

SHARE LISTING

A Share: Shanghai Stock Exchange
Stock Code: 600196
H Share: The Stock Exchange of Hong Kong Limited
Stock Code: 02196

A SHARE REGISTRAR AND TRANSFER OFFICE IN THE PRC

China Securities Depository & Clearing Corporation Limited (CSDCC) Shanghai Branch
188 South Yanggao Road
Pudong New Area
Shanghai, China

H SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

CORPORATE WEBSITE

https://www.fosunpharma.com

[17] changed to current address since 10 January 2025.

Financial Highlights

	2025 RMB million	2024 RMB million
Operating results		
Revenue	**41,498**	40,910
Gross profit	**20,698**	19,544
Operating profit	**2,728**	2,780
Profit before tax	**5,112**	4,169
Profit for the year attributable to owners of the parent	**3,371**	2,770
Profitability		
Gross margin	**49.88%**	47.77%
Net profit margin	**10.24%**	8.59%
Earnings per share (RMB Yuan)		
Earnings per share — basic	**1.27**	1.04
Earnings per share — diluted	**1.27**	1.04
Assets		
Total assets	**120,016**	117,422
Equity attributable to owners of the parent	**48,703**	47,223
Total liabilities	**58,214**	57,527
Cash and bank balances	**13,104**	13,524
Debt-to-asset ratio	**48.51%**	48.99%
Of which: Pharmaceutical manufacturing segment		
Revenue	**29,683**	28,776
Gross profit	**16,972**	15,558
Segment results	**3,318**	3,304
Segment profit for the year	**3,429**	3,250

Chairman's Statement

Dear Shareholders,

In recent years, the government has vigorously supported clinical value-oriented innovation, further accelerating the pace of launch of new drugs. Domestic pharmaceutical companies accelerated their shift to an innovation-driven model. The pace of internationalization in the pharmaceutical industry has quickened, and the innovation capabilities of domestic pharmaceutical companies are increasingly recognized in the global market, as evidenced by record-breaking numbers and values in outbound licensing transactions. The introduction of the first edition of the Commercial Insurance Innovative Drug Catalogue has provided a crucial supplementary payment channel for innovative drugs with outstanding clinical value that are yet to be covered by the basic medical insurance catalogue, further broadening market access. In the medical device sector, policies promoting the localization of high-end equipment have opened a window of opportunity for enterprises with key technologies. In the healthcare services sector, private healthcare has become a vital complement to the public healthcare system, and has continuously enhanced its service quality and patient experience through standardized operations, the development of specialized capabilities, and the exploration of diversified payment models. Corporates must navigate both challenges and opportunities in this evolving landscape.

In 2025, under the strategic guidance of "Innovation Driven, Deep Globalization and AI Embracement", we are dedicated to disease and technologies areas that are clinically driven, therapeutically validated, and aligned with the direction of modern medicine. We promote the development and commercialization of innovative technologies and products through diversified and multi-tiered collaboration models, including in-house R&D, co-development, licensing, fund incubation, and industrial investments.

Mr. Chen Yuqing
Chairman

Chairman's Statement

2025 REVIEW

2025 marked a critical period for us to deepen our innovation-driven transformation, accelerate breakthroughs in internationalization, and fully embrace digital-intelligent transformation. Against the dual backdrop of profound restructuring in the global pharmaceutical industry, ongoing optimization of the domestic policy environment, and increasingly intense competition, we adhered to the business philosophy of "patient-centered, clinical value orientation, and a global perspective". We shifted our development focus from scale expansion to quality enhancement, from isolated breakthroughs to systematic synergy, and from product exportation to capability exportation.

During the Reporting Period, the revenue of the Group amounted to RMB41,498 million and the net profit attributable to shareholders of the listed company amounted to RMB3,371 million. During the Reporting Period, the net cash flow generated from operating activities of the Group was RMB5,213 million. This performance was achieved amid multiple sources of pressures, including the normalization of centralized procurement, as well as the long research and development cycles and high investment associated with innovation. The Group is currently at a critical stage in its evolution toward becoming a global innovative pharmaceutical and healthcare group. During the Reporting Period, the proportion of revenue from innovative drugs in the pharmaceutical manufacturing segment and the proportion of overseas revenue in total revenue both increased to over 30%, further reinforcing the underlying logic of high-quality development.

The Core Engine Driving Performance Growth: The Dual-Wheel Resonance of Innovation and Internationalization

During the Reporting Period, the Group's steady performance growth did not stem from the short-term surge of a single product, but by the deep synergy between our two core strategic drivers: innovation and R&D, and global operations.

In terms of innovation leadership, we consistently adhere to an integrated closed-loop approach encompassing "R&D, manufacturing, and commercialization," precisely anchoring R&D investments toward unmet clinical needs. In 2025, the Group's total R&D investment amounted to RMB5,913 million, with 72.77% attributed to innovative drug research. These high-intensity, highly focused investments have translated directly into substantial achievements. During the Reporting Period, in terms of therapeutic drugs, a total of 16 indications of 7 Innovative Drugs independently developed and licensed-in were approved for launch both domestically and internationally. Notably, Fu Mai Ning (luvometinib tablets) and Fu Tuo Ning (fovinaciclib citrate capsules), two independently developed potential Best-in-Class (BIC) small-molecule innovative drugs, secured approval in China and were rapidly included in the 2025 National Medical Insurance Drugs Catalogue, achieving an efficient conversion from clinical value to commercial value. Furthermore, serplulimab injection (anti-PD-1 monoclonal antibody) not only continued to gain market traction in China for multiple-line treatments of lung cancer, gastric cancer, and other indications, but also successfully received approval from the European Commission, becoming the first anti-PD-1 monoclonal antibody approved in the EU for extensive-stage small cell lung cancer. As of the date of this report, the drug has been approved in over 40 countries and regions worldwide, truly embodying "Chinese wisdom, global value." Notably, the Group's innovation has evolved from being a follower to running alongside global leaders, and in certain areas, has begun to take the lead. Meanwhile, during the Reporting Period, the NDA for another 6 Innovative Drugs have been accepted successfully, laying a solid foundation for the Group's future commercial growth.

In terms of deepening internationalisation, the Group has developed a systematic approach to global expansion. This is reflected across three dimensions. First, the internationalisation of capabilities for registration. The successive approvals of denosumab and pertuzumab biosimilars by the US FDA and the EU have demonstrated that the Group's quality systems and registration strategies have gained full recognition from major international regulatory authorities. Second, the globalisation of production and supply. Across our pharmaceutical segment, 17 workshops/production lines in Chinese mainland have obtained GMP certifications from key international regulators such as the US, EU, and WHO. Together with our local manufacturing capacity in India, these assets form a secure, stable, and resilient global supply chain network. Third, diversification of the commercial ecosystem. We have moved beyond a single licensing model, establishing a multi-faceted pathway for global expansion that combines independent operations, licensing partnerships, and co-development. During the Reporting Period, the significant licensing agreement with Pfizer for YP05002, the co-development arrangement with Teva for FXB0871, and the strategic collaboration with Aditum Bio on early-stage targets all reflect the Group's comprehensive value and bargaining power as a global innovation partner. This two-way internationalisation not only expands revenue streams but also enhances our technical standards, management philosophy, and brand reputation on a global scale.

Strategic Cornerstone Supporting Long-term Competitiveness: AI Empowerment

In the wave of the new round of technological revolution, the core competitiveness of pharmaceutical companies is rapidly shifting from traditional pipeline depth to data profundity and intelligent breadth. Therefore, during the Reporting Period, we further defined and advanced the fully AI-embracing strategy centered on FoSTRAID (Fosun Pharma Strategic Transformation via AI & Data science).

We take the PharmAID® Pharmaceutical Intelligence Platform as our core digital-intelligence foundation, deeply integrating AI capabilities into key links across the entire chain, including clinical R&D, development, production operations, and commercialization. On the R&D front, PharmAID® has gradually evolved into a "Virtual R&D Decision Expert" that provides systematic support for drug commercial value assessment, R&D intelligence acquisition, and R&D decision-making. MedAlkaid Scientific Research Agent enhances the quality and evaluation efficiency of clinical protocols. On the application front, the "JediVision® pulmonary nodule marker placement and localization device", which is an AI-powered surgical navigation device of incubated venture, was approved for launch in June 2025. In terms of operations, systems such as "Medication Assistant" and "Medical Intelligent Q&A" have elevated the professional service capabilities of our internal teams, while digital tools like the "Star Doctor" mini-program, which reach end-patients, have established strong connections between our products and patients. These enable the Group to continuously unlock commercial value over a longer lifecycle. This AI-driven digital ecosystem that connects both internal and external resources serves as the fundamental guarantee for the Group to withstand cyclical fluctuations and secure future competitiveness.

Open-ended R&D System and Ecosystem Synergy

We attach high importance to building an open-ended innovation ecosystem and have consistently adopted a pragmatic approach of leveraging resources without necessarily owning them. Through multiple means, including fund incubation, industrial investment, licensing-in and collaborative development, we have integrated cutting-edge scientific discoveries and technological breakthroughs into the Group's innovation system.

OUTLOOK

In 2025, the Group's strategic resolve has been tested, while its development drivers have accelerated their transformation. Looking ahead, we will continue to uphold our original aspiration of "Innovation for Good Health", and adhere to the strategy of "Innovation Driven, Deep Globalization and AI Embracement". We will advance the transformation of innovative outcomes with greater determination, deepen global collaboration with a more open approach, strengthen our digital-intelligence capabilities with more pragmatic measures, and manage various risks with a more prudent mindset, striving to build Fosun Pharma group into an innovative pharmaceutical and healthcare group with strong global influence.

I would like to express my sincere gratitude to all Shareholders, members of the Board, the management, employees and business partners of the Group.

Chen Yuqing
Chairman

24 March 2026

Management Discussion and Analysis

FINANCIAL REVIEW

During the Reporting Period, the audited annual results and the summary of basic financial results prepared by the Group in accordance with HKFRS are as follows:

During the Reporting Period, the Group further focused on innovative drugs and high-value devices, with continuous improvement in overall operating quality. The revenue of the Group amounted to RMB41,498 million, representing a year-on-year increase of 1.44%. The Group's net profit attributable to shareholders of the listed company amounted to RMB3,371 million, representing a year-on-year increase of 21.69%. In particular, the net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss amounted to RMB2,340 million, representing a year-on-year increase of 1.12%.

The revenue from Innovative Drugs and overseas business achieved simultaneous growth. During the Reporting Period, the Group's revenue from Innovative Drugs[Note] reached RMB9,893 million, representing a year-on-year increase of 29.59%, which accounted for 23.84% of operating revenue, with a year-on-year increase of 5.18 percentage points, and which accounted for 33.33% of pharmaceutical manufacturing segment revenue, with a year-on-year increase of 6.80 percentage points. Among them, the revenue of Pei Jin (telpegfilgrastim injection), Akynzeo (netupitant and palonosetron hydrochloride capsules) and Yi Kai Da (ejilunsai injection) grew by over 30%, while the revenue of Han Li Kang (rituximab injection), Han Qu You (trastuzumab injection) and Han Si Zhuang (serplulimab injection) maintained steady growth. During the Reporting Period, the Group's overseas revenue reached RMB12,977 million, representing a year-on-year increase of 14.87%, which accounted for 31.27% of operating revenue, with a year-on-year increase of 3.66 percentage points. The simultaneous increase in the proportions of Innovative Drugs revenue and overseas revenue reflected continuous optimization of the Group's revenue structure, and the gradual emergence of results from innovation-driven development and internationalization.

During the Reporting Period, earnings per share of the Group increased by 22.12% to RMB1.27 as compared to 2024. The increase in earnings per share was mainly due to the increase in profit for the year attributable to owners of the parent.

REVENUE

During the Reporting Period, the revenue of the Group amounted to RMB41,498 million, representing a year-on-year increase of 1.44%. The Group recorded revenue of RMB28,521 million in Chinese mainland, representing a year-on-year decrease of 3.69%. Revenue of an equivalent of RMB12,977 million was recorded in countries or regions other than Chinese mainland, representing a year-on-year increase of 14.87%.

During the Reporting Period, the pharmaceutical manufacturing segment of the Group generated revenue of RMB29,683 million, representing a year-on-year increase of 3.15%. The segment results amounted to RMB3,318 million, representing a year-on-year increase of 0.42%. The segment profit amounted to RMB3,429 million, representing a year-on-year increase of 5.51%.

Note: Innovative Drugs during the Reporting Period include: Han Qu You (trastuzumab injection) and trastuzumab drug substance, Han Li Kang (rituximab injection), Han Si Zhuang (serplulimab injection), Akynzeo (netupitant and palonosetron hydrochloride capsules), Yi Kai Da (ejilunsai injection), Yi Xin Tan (sacubitril valsartan sodium tablets), Pei Jin (telpegfilgrastim injection), Han Bei Tai (bevacizumab injection), Bei Wen (keverprazan hydrochloride tablets), Han Nai Jia (neratinib maleate tablets), Su Ke Xin (avatrombopag maleate tablets), Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin), Han Da Yuan (adalimumab injection), Otezla (apremilast tablets), Pu Rui Ni (pretomanid tablets), Fu Mai Ning (luvometinib tablets), Fu Tuo Ning (fovinaciclib citrate capsules), Pang Bi Fu (etelcalcetide injection), Denosumab Injection, etc.

COST OF SALES

During the Reporting Period, cost of sales of the Group decreased to RMB20,800 million from RMB21,366 million, representing a year-on-year decrease of 2.65%.

GROSS PROFIT

During the Reporting Period, gross profit of the Group amounted to RMB20,698 million, representing an increase of 5.90% as compared with RMB19,544 million for 2024. The gross profit margin of the Group for 2025 and 2024 was 49.88% and 47.77%, respectively. This year, the gross profit margin increased by 2.11 percentage points as compared to 2024, mainly due to the change in revenue composition.

R&D EXPENSES AND R&D EXPENDITURE

During the Reporting Period, the Group continued to optimize its innovation and R&D system, focusing on advantageous pipelines to enhance efficiency through the integration of its R&D system. Meanwhile, by adopting diversified and multi-tiered R&D models such as independent R&D, co-development, licensed-in projects, fund incubation and industrial investment, the Group accelerated the transformation and commercialization of innovative technologies and products. During the Reporting Period, the total R&D expenditure of the Group amounted to RMB5,913 million. In particular, the R&D expenses amounted to RMB4,013 million. During the Reporting Period, the Group's R&D expenditures in the pharmaceutical manufacturing segment amounted to RMB5,361 million, representing a year-on-year increase of 9.19% and accounting for 18.06% of the revenue from the pharmaceutical manufacturing segment, a year-on-year rise of 1.00 percentage points. In particular, investment in innovative drug-related R&D projects amounted to RMB4,303 million, with a year-on-year increase of 15.98% and accounting for 14.50% of the revenue from the pharmaceutical manufacturing segment, a year-on-year rise of 1.61 percentage points.

SHARE OF PROFITS OF ASSOCIATES

During the Reporting Period, share of profits of associates of the Group increased to RMB1,932 million from RMB1,828 million, representing a year-on-year increase of 5.69%.

PROFIT FOR THE YEAR

Due to the above factors, profit for the year of the Group increased to RMB4,248 million from RMB3,512 million, representing a year-on-year increase of 20.96%. Net profit margin of the Group for 2025 and 2024 was 10.24% and 8.59%, respectively.

PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT

During the Reporting Period, profit for the year attributable to owners of the parent of the Group increased to RMB3,371 million from RMB2,770 million, representing a year-on-year increase of 21.69%.

DEBT STRUCTURE, LIQUIDITY AND SOURCES OF FUNDS

Total Debts

As at 31 December 2025, total debts of the Group decreased to RMB32,954 million from RMB33,064 million as at 31 December 2024 mainly due to the optimization of the scale and structure of interest-bearing liabilities during the Reporting Period. As at 31 December 2025, mid-to-long-term debts of the Group accounted for 36.00% of its total debts, representing an increase of 4.41 percentage points as compared to 31.59% as at 31 December 2024. As at 31 December 2025, cash and bank balances fell by 3.11% to RMB13,104 million from RMB13,524 million as at 31 December 2024.

As at 31 December 2025, an equivalent amount of RMB3,258 million (31 December 2024: RMB4,550 million) out of the total debts of the Group was denominated in foreign currencies, and the remainder was denominated in RMB.

As at 31 December 2025, cash and bank balances of the Group denominated in foreign currencies amounted to RMB6,839 million (31 December 2024: RMB3,964 million).

Unit: million Currency: RMB

Cash and bank balances denominated in:	**31 December 2025**	31 December 2024
RMB	**6,265**	9,560
US dollars	**2,171**	1,334
Rupees	**2,053**	2,094
Euros	**276**	290
HK dollars	**59**	49
Others	**2,280**	197
Total	**13,104**	13,524

Gearing Ratio

As at 31 December 2025, the gearing ratio, calculated as total interest-bearing liabilities over total assets, was 27.46%, as compared with 28.16% as at 31 December 2024.

Interest Rate

As at 31 December 2025, total interest-bearing bank and other borrowings at a floating interest rate amounted to RMB17,865 million (31 December 2024: RMB13,331 million).

Maturity structure of Outstanding Debts

Unit: million Currency: RMB

	31 December 2025	31 December 2024
Within 1 year	**21,092**	22,620
1 to 2 years	**6,136**	4,815
3 to 5 years	**5,524**	5,433
Over 5 years	**202**	196
Total	**32,954**	33,064

AVAILABLE FACILITIES

As at 31 December 2025, save for cash and bank balances of RMB13,104 million, the Group had unutilized banking facilities of RMB24,555 million in aggregate. The Group has also entered into cooperation agreements with various major banks (the "**Banks**") in China. According to such agreements, the Banks have granted the Group general banking facilities to support its capital requirements. The utilization of such bank facilities was subject to the approval of individual projects from the Banks in accordance with banking regulations in China. As at 31 December 2025, total available banking facilities under these arrangements were approximately RMB56,292 million in aggregate, of which RMB31,737 million had been utilized.

In March 2025, the National Association of Financial Market Institutional Investors issued the "Notice of Acceptance for Registration" (Zhong Shi Xie Zhu (中市协注) [2025] No. MTN272 and Zhong Shi Xie Zhu (中市协注) [2025] No. SCP71) to accept the registration of the medium-term notes and the super short-term commercial papers of the Company. The registered amount of the medium-term notes and the super short-term commercial papers is RMB4,000 million and RMB6,000 million, respectively, which is effective for two years commencing from 20 March 2025, and issuable in tranches within the effective registration period.

Collateral and Pledged Assets

As at 31 December 2025, the Group had placed the following assets as collateral for bank borrowings: property, plant and equipment amounting to RMB2,736 million (31 December 2024: RMB2,597 million), prepaid land lease payments amounting to RMB619 million (31 December 2024: RMB615 million), trade and bills receivables amounting to RMB19 million (31 December 2024: RMB24 million), and patents among other intangible assets amounting to RMB173,000 (31 December 2024: RMB227,000).

As at 31 December 2025, the Group had pledged the following for bank borrowings: 6.00% equity interest in a subsidiary Jianjia Healthcare and 58.67% equity interest in a subsidiary Suzhou Abcarta (31 December 2024: 6.00% equity interest in a subsidiary Jianjia Healthcare and 58.67% equity interest in a subsidiary Suzhou Abcarta). Details of the collateral and pledged assets are set out in note 33 to the financial statements.

Cash Flow

The cash of the Group is mainly used for meeting capital requirements, repaying interest and principal of debts due, paying for purchases and capital expenditures, and funding growth and expansion of facilities and businesses of the Group. The table below shows the cash flow of the Group generated from (or used in) operating activities, investing activities and financing activities for 2025 and 2024.

Unit: million Currency: RMB

	31 December 2025	31 December 2024
Net cash flows generated from operating activities	**5,213**	4,477
Net cash flows used in investing activities	**(2,146)**	(3,613)
Net cash flows used in financing activities	**(3,244)**	(1,003)
Net decrease in cash and cash equivalents	**(353)**	(111)
Cash and cash equivalents at the beginning of the year	**9,391**	9,502
Cash and cash equivalents at the end of the year	**9,038**	9,391

Note: For the analysis on reasons for the changes in cash flows, please refer to "5. Cash Flows" of "IV. Major Operations in the Reporting Period" under "BUSINESS REVIEW".

Capital Commitments and Capital Expenditures

During the Reporting Period, capital expenditures of the Group amounted to RMB5,126 million, which mainly consisted of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets exclusive of amounts due to new acquisition of subsidiaries. Details of capital expenditures are set out in note 44 to the financial statements.

As at 31 December 2025, the Group had capital commitments contracted but not provided of approximately RMB1,004 million and capital commitments authorized but not signed of approximately to RMB994 million. These capital commitments were mainly used to the reconstruction and renewal of plant and machinery. Details of capital commitments are set out in note 44 to the financial statements.

Contingent Liabilities

As at 31 December 2025, the Group did not have any contingent liabilities.

Interest Coverage

In 2025, the interest coverage, which is calculated by EBITDA divided by financial cost was 7.85 times as compared with 6.03 times for 2024. The increase in the interest coverage was mainly due to the EBITDA of the Group in 2025 which was RMB10,102 million, increased by 15.16% as compared with that in 2024 which was RMB8,772 million, and financial cost of the Group in 2025 amounting to RMB1,265 million, decreased by 11.66% as compared with that in 2024 which was RMB1,432 million.

RISK MANAGEMENT

Foreign Currency Exposure

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies.

Interest Rate Exposure

It is the Group's strategy to use debts with fixed and floating interest rates to manage its interest costs. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

BUSINESS REVIEW

THE BOARD'S DISCUSSION AND ANALYSIS ON OPERATIONS OF THE GROUP FOR THE REPORTING PERIOD

During the Reporting Period, the Group further focused on innovative drugs and high-end devices, with continuous improvement in overall operating quality.

The revenue of the Group amounted to RMB41,498 million, representing a year-on-year increase of 1.44%. The Group's net profit attributable to shareholders of the listed company amounted to RMB3,371 million, representing a year-on-year increase of 21.69%. In particular, the net profit attributable to shareholders of the listed company after deducting extraordinary gain or loss amounted to RMB2,340 million, representing a year-on-year increase of 1.12%.

The revenue from Innovative Drugs[Note] and overseas business achieved simultaneous growth. During the Reporting Period, the Group's revenue from Innovative Drugs reached RMB9,893 million, representing a year-on-year increase of 29.59%, which accounted for 23.84% of operating revenue, with a year-on-year increase of 5.18 percentage points, and which accounted for 33.33% of pharmaceutical manufacturing segment revenue, with a year-on-year increase of 6.80 percentage points. Among them, the revenue of Pei Jin (telpegfilgrastim injection), Akynzeo (netupitant and palonosetron hydrochloride capsules) and Yi Kai Da (ejilunsai injection) grew by over 30%, while the revenue of Han Li Kang (rituximab injection), Han Qu You (trastuzumab injection) and Han Si Zhuang (serplulimab injection) maintained steady growth. During the Reporting Period, the Group's overseas revenue reached RMB12,977 million, respresenting a year-on-year increase of 14.87%, which accounted for 31.27% of operating revenue, with a year-on-year increase of 3.66 percentage points. The simultaneous increase in the proportions of Innovative Drugs revenue and overseas revenue reflected continuous optimization of the Group's revenue structure, and the gradual emergence of results from innovation-driven development and internationalization.

During the Reporting Period, the net cash flow generated from operating activities of the Group was RMB5,213 million, representing a year-on-year increase of 16.45%, mainly due to the increase in license-out revenue during the period. Meanwhile, the Group continued to divest and integrate non-strategic and non-core assets, optimize asset structure and accelerate cash inflow, with nearly RMB3 billion of funds recovered in 2025.

During the Reporting Period, the revenue structure of the Group was as follows:

Unit: million Currency: RMB

	2025 revenue		2024 revenue		Year-on-year increase/ decrease of revenue (%)
	Amount	**Percentage of revenue (%)**	Amount	Percentage of revenue (%)	
By business segment					
Pharmaceutical manufacturing	**29,683**	**71.53**	28,776	70.34	3.15
Of which: Innovation Drugs	**9,893**	**23.84**	7,634	18.66	29.59
Medical devices and medical diagnosis	**4,318**	**10.41**	4,320	10.56	–0.05
Healthcare services	**7,367**	**17.75**	7,642	18.68	–3.60
By geographical locations					
Chinese mainland	**28,521**	**68.73**	29,613	72.39	–3.69
Regions outside Chinese mainland and other countries	**12,977**	**31.27**	11,297	27.61	14.87

Note: Innovative Drugs during the Reporting Period include: Han Qu You (trastuzumab injection) and trastuzumab drug substance, Han Li Kang (rituximab injection), Han Si Zhuang (serplulimab injection), Akynzeo (netupitant and palonosetron hydrochloride capsules), Yi Kai Da (ejilunsai injection), Yi Xin Tan (sacubitril valsartan sodium tablets), Pei Jin (telpegfilgrastim injection), Han Bei Tai (bevacizumab injection), Bei Wen (keverprazan hydrochloride tablets), Han Nai Jia (neratinib maleate tablets), Su Ke Xin (avatrombopag maleate tablets), Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin), Han Da Yuan (adalimumab injection), Otezla (apremilast tablets), Pu Rui Ni (pretomanid tablets), Fu Mai Ning (luvometinib tablets), Fu Tuo Ning (fovinaciclib citrate capsules), Pang Bi Fu (etelcalcetide injection), Denosumab Injection, etc.

I. Main Operational Progress of the Group during the Reporting Period

1. Innovation Leadership: Focusing on Core Areas and Continuously Enhancing Global R&D and Transformation Capabilities

(1) R&D investment continued to increase with significant innovation transformation progress

— **Sustained R&D expenditure intensity:** In 2025, the Group's total R&D expenditure amounted to RMB5,913 million, representing a year-on-year increase of 6.46%. The total R&D expenditure in the pharmaceutical manufacturing segment amounted to RMB5,361 million. In particular, R&D expenditure related to Innovative Drugs reached RMB4,303 million, representing a year-on-year increase of 15.98%. R&D expenditure in Innovative Drugs accounted for 72.77% of the total R&D expenditure, with a year-on-year increase of 5.97 percentage points, and accounted for 80.26% of R&D expenditure in the pharmaceutical manufacturing segment, with a year-on-year increase of 4.70 percentage points, underscoring the strategic resolve to steadfastly advance its innovation-driven transformation.

— **R&D achievements continued to emerge:**

- Launches and new drug applications of Innovative Drugs: the Group consistently adheres to a clinical value-oriented approach and enhances product pipelines quality. During the Reporting Period, in terms of therapeutic drugs, a total of 16 indications of 7 Innovative Drugs independently developed and licensed-in by the Group were approved for launch both domestically and internationally. Furthermore, the NDA for 6 Innovative Drugs have been accepted successfully, laying a solid foundation for future commercial growth.

  During the Reporting Period, Fu Tuo Ning (fovinaciclib citrate capsules) and Fu Mai Ning (luvometinib tablets) were approved for launch in Chinese mainland. The marketing authorization application (MAA) for Serplulimab Injection (an anti-PD-1 monoclonal antibody; project code: HLX10) for the treatment of extensive-stage small cell lung cancer (ES-SCLC) was approved by the EC, making it the first anti-PD-1 monoclonal antibody authorized by the EU for the treatment of this indication. Denosumab Injection (project code: HLX14) was approved for launch in the U.S. and the EU. Pertuzumab biosimilar (project code: HLX11) independently developed by the Group was also approved for launch in the U.S., further enhancing the Group's commercialization capabilities in the global market.

- Development of generic drugs: in terms of the generic drugs, during the Reporting Period, a total of over 100 generic drugs varieties were approved for launch both domestically and internationally. Several of these varieties were the first generic drugs of their kinds or the first passing consistency evaluation in China, effectively strengthening the market competitiveness of the mature product lines.

- Clinical progress: the R&D pipelines have been advanced efficiently. During the Reporting Period, nearly 40 clinical trials for Innovative Drugs (calculated by approval) were approved by domestic and international regulatory authorities. Multiple core products entered to the key clinical trial stages. In particular, in October 2025, patient enrollment was completed for the U.S. bridging trial of serplulimab injection (an anti-PD-1 monoclonal antibody) in combination with chemotherapy for the first-line treatment of extensive-stage small cell lung cancer (ES-SCLC).

(2) Cutting-edge Technology Platform Development: Strengthening Early-stage Innovation Capabilities and Building an Innovation Source

The Group places great importance on the foundational role of its technology platforms, continues to strengthen its capabilities in identifying, nurturing and advancing early-stage innovative achievements, consolidates its core technology platforms including antibodies, ADC, small molecules and cell therapy, and actively expands into cutting-edge technologies such as radiopharmaceuticals and small nucleic acids.

In the field of antibodies and ADC drugs, relying on the continuous improvement on the antibody drug R&D capabilities of its subsidiary, Shanghai Henlius, the Group has established multiple biologics R&D platforms covering monoclonal antibodies, bispecific/multispecific antibodies and ADC, and has formed a comprehensive technological system spanning target discovery, antibody engineering, cell line development, process development and large-scale manufacturing, which supports the global development and sustained output of biologic innovative drugs.

In the field of small molecular innovative drugs, the Group focuses on the development of Me-better and Best-in-Class (BIC) innovative drugs, integrates core functions for early drug discovery and clinical translation, and continuously enhances the R&D capabilities in small molecular innovative drugs.

While consolidating the R&D capabilities of established technology platforms such as antibodies, ADC, small molecules, the Group also continues to focus on frontier technological directions with potential for breakthrough innovation. For example, in the field of cell therapy, the clinical trial application for FKC289 injection, an autologous dual-target (targeting BCMA and CD19) CAR-T product developed by Fosun Kairos, a subsidiary, was accepted by the NMPA in January 2026. In the field of radiopharmaceuticals, during the Reporting Period, the Group established a new radioligand therapy (RLT) technology platform, focusing on precision diagnosis and treatment in oncology. The Phase I clinical trial of the integrated diagnostic and therapeutic radiopharmaceutical project SRT-007 ([68Ga] PSMA-0057 for diagnosis + [177Lu] PSMA-0057 for therapy, for the treatment of PSMA-positive metastatic castration-resistant prostate cancer) has been initiated in Chinese mainland in December 2025, preliminarily establishing an integrated R&D pathway of "imaging diagnosis — targeted therapy".

(3) Deep Cultivation in Core Therapeutic Areas and Building Differentiated Competitive Advantages

Building on its strong presence in core therapeutic areas such as oncology (solid tumors and hematologic tumors), immunology, inflammation and neurodegenerative diseases, the Group actively expands its layout in therapeutic areas including chronic diseases (cardiovascular, renal and metabolic disorders) as well as rare diseases, and gradually establishes product pipelines and integrated solutions with long-term competitive strength.

Core Therapeutic Areas

Solid Tumors:

The Group continues to strengthen its layout in innovative pipelines centering on key indications such as breast cancer and lung cancer. During the Reporting Period, several antibodies and ADC drugs have entered key clinical trial stages and have approached the realization of commercial value:

- The serplulimab injection (anti-PD-1 monoclonal antibody): the NDA of an additional indication (neoadjuvant/adjuvant treatment of gastric cancer in combination with chemotherapy) has been accepted by the NMPA.

- HLX43 (antibody-drug conjugate targeting PD-L1): multiple indications under development for the treatment of solid tumors including advanced non-small cell lung cancer (NSCLC) and recurrent/metastatic esophageal squamous cell carcinoma (ESCC), are currently in Phase II clinical trials.

- HLX22 (recombinant humanized anti-HER2 monoclonal antibody): indications under development include solid tumors such as gastric cancer. Related international multi-center Phase III clinical trials are being conducted simultaneously in various countries/regions such as Chinese mainland, the United States, the EU, Australia and Japan.

At the same time, the Group continues to refine its small molecular innovative drugs portfolio, for example:

- Fu Tuo Ning (fovinaciclib citrate capsules): during the Reporting Period, two indications were approved in Chinese mainland for the treatment of HR-positive, HER2-negative advanced or metastatic breast cancer.

- Fu Mai Ning (luvometinib tablets): during the Reporting Period, two indications were approved in Chinese mainland for the treatment of Langerhans cell histiocytosis (LCH) and plexiform neurofibromas associated with neurofibromas type 1 (NF1-PN), which has filled a treatment gap for rare oncological diseases in China.

Hematological Tumors:

In the field of hematological tumors, the Group continued to advance its CAR-T therapy pipeline. The bridging trial in Chinese mainland for the third indication of Yi Kai Da (ejilunsai injection), the Group's first CAR-T cell therapy product, for the treatment of relapsed or refractory indolent non-Hodgkin lymphoma (r/r iNHL), is progressing steadily. Meanwhile, the NDA for its second CAR-T cell therapy product, Brexucabtagene Autoleucel Injection (project code: FKC889), for the treatment of adults with r/r ALL and r/r MCL has been accepted by the NMPA.

Immunology and Inflammation:

The Group continued to advance its innovative drug R&D for the treatment of immunology and inflammation, with a pipeline including FXS7553[1], a DPP1 inhibitor for the treatment of non-cystic fibrosis bronchiectasis (NCFBE) and chronic obstructive pulmonary disease (COPD), among others. Meanwhile, the Group expanded its presence in immunology through its stake in the incubated company, Hengtai Bio. The licensed-in ISM8969, an oral brain-penetrant NLRP3 inhibitor focused on neuroinflammation mechanisms, and another licensed-in bispecific antibody product focused on the inflammatory bowel disease (IBD).

Neurodegenerative Diseases:

In response to the unmet clinical needs such as Alzheimer's disease and Parkinson's disease, the Group actively built an integrated ecosystem encompassing "diagnosis and therapy".

In terms of therapeutic drug pipeline, through license and merger, the innovative drug pipeline was expanded with AR1001 (a PDE-5 inhibitor), sodium oligomannate capsule newly introduced and other indications for the treatment of Alzheimer's disease. Opicapone capsules for the treatment of Parkinson's disease are under review for approval for launch in Chinese mainland, and have been made available for clinical therapy in Boao, Hainan under the "pilot policy".

On the basis of drug R&D, the clinical applications of the "MRgFUS" brain therapy system for indications such as drug-resistant idiopathic tremor and tremor-dominant Parkinson's disease have been continuously advanced. Meanwhile, the R&D of diagnostic reagents for neurodegenerative diseases has been actively advanced, and the capabilities in early screening and precise stratification have been improved, advancing the integration of diagnosis and therapy.

[1] Former project code: XH-S004

Expansion in Chronic Diseases and Rare Diseases
Chronic Diseases:

The Group actively expanded its presence in cardiovascular, renal and metabolic diseases. During the Reporting Period, the licensed-in product Wan Ti Le (tenapanor hydrochloride tablets) was approved for launch in Chinese mainland with the indication for the control of hyperphosphatemia in chronic kidney disease (CKD) patients on dialysis who exhibit inadequate or intolerant efficacy of phosphate binders.

Rare Diseases:

The Group has actively accelerated the R&D of drugs for rare diseases and clinically urgent medicines to address unmet medical needs. During the Reporting Period, 2 indications of rare disease of Fu Mai Ning (luvometinib tablets) was approved for launch in Chinese mainland. As at the date of this report, the NDA for another 2 indications of rare diseases (for the treatment of pediatric patients aged 2 years and older with Langerhans cell histiocytosis (LCH), and for adult patients with neurofibromas type 1 (NF1) with symptomatic, inoperable plexiform neurofibromas (PN)) have been accepted and granted in the priority review.

As at the date of this report, a total of 5 indications of rare diseases of the Group has been approved for launch, with nearly 10 indications of rare diseases under development.

(4) Open-ended Innovation Ecosystem: Driving Sustainable Development with Multi-level Cooperation
The Group consistently adheres to an open-ended R&D strategy, and builds a highly resilient innovation ecosystem through diversified collaboration models.

— Collaboration models: through various models including integrating independent R&D, collaborative development, licensing-in, fund incubation and industrial investment, the Group continuously enriches the innovative product pipeline and accelerates the translation of innovative technologies and products.

— Early-stage layout: through industrial funds and other means, forward-looking investments are made in early-stage innovative projects (e.g., participation in the incubation of the ophthalmic gene therapy drug pipeline UGX-202). While establishing a flexible innovation pipeline mechanism, the Group effectively balances risks, thereby ensuring the continuity and forward-looking nature of R&D system.

(5) Progress in Global Two-Way License Cooperation
The Group continues to advance global two-way license and co-development, and strengthen its capabilities for the integration of innovation resources and the translation of the global value. During the Reporting Period, the Group secured multiple license-out projects in oncology, immunology, inflammation and chronic disease areas, demonstrating international market recognition of its innovative R&D capabilities. Meanwhile, in terms of co-development, the Group entered into a joint development with Teva for FXB0871 (a PD-1-targeted IL-2 fusion protein) to share clinical data and advance global R&D efforts; a strategic partnership was established with a fund under Aditum Bio to collaborate on early-stage targets, which will enrich the Group's high-value product pipeline, accelerate clinical value conversion through potential license-out and deepen the international footprint of the innovative products. For details of the Group's major licensed projects during the Reporting Period, please refer to Table 1.

Table 1: Major licensed projects of the Group during the Reporting Period

	Licensed product /pipeline	Target	Partner	Licensed territory	Upfront payment	Potential milestones
License-out	FXS7553	DPP1	Expedition	Worldwide (excluding Chinese mainland, Hong Kong and Macau regions)	USD17 million	USD628 million
	FXS6837	—	Sitala	Worldwide (excluding China)	USD25 million	USD645 million
	YP05002	GLP-1	Pfizer	Worldwide	USD150 million	USD2,085 million
	HLX15	CD38	Dr. Reddy's	U.S. and designated regions in Europe	USD33 million	USD98 million
	HLX13	CTLA-4	Sandoz AG	U.S., designated regions in Europe, Japan, Australia and Canada	USD31 million	USD259 million
	Serplulimab	PD–1	Alvogen Korea	South Korea	USD5 million	USD107 million
Co-development and Potential Licensing	Early-stage pipeline	—	Funds under Aditum Bio	Worldwide (excluding Chinese mainland, Hong Kong and Macau regions)	—	Up to USD362.5 million per project
License-in	AR1001	PDE5	NeuCo	Chinese mainland, Hong Kong and Macau regions	RMB40 million	RMB110 million[Note]
				Designated countries in Southeast Asia	RMB30 million	—
	FXB0871	PD-1/IL-2	Teva	China, and designated countries in Southeast Asia	—	—
	AC-201	TYK2/JAK1	Accropeutics	Chinese mainland, Hong Kong and Macau regions	RMB60 million	RMB96 million[Note]
	HLX701	CD47	FBD	Chinese mainland, Hong Kong and Macau regions, designated countries in Southeast Asia and the MENA region	USD10 million	USD192 million

Note: Potential sales-based milestones are not included

2. Deepening Internationalisation: Building a Globally Integrated Operating System Across the Entire Value Chain

The Group has continuously deepened its internationalization across multiple dimensions, including innovative R&D, manufacturing quality, registration, commercialisation and academic influence. It has established a global operational network covering markets such as China, the United States, Europe, Africa, India and Southeast Asia. Its internationalisation model has been continuously upgraded from "products exporting" towards "system exporting".

(1) R&D: Deepening Global Clinical Synergies to Accelerate Product Value Transformation

The Group adheres to a core strategy driven by innovative R&D, integrates global clinical resources to systematically advance the clinical translation and market access of key products in major markets, and builds the global quality standards and regulatory compliance system. During the Reporting Period, the Group continued to conduct multiple international multi-centre clinical studies and several products (such as Serplulimab injection and HLX22) have been granted Orphan-drug Designation in the United States, the EU, and other regions.

(2) Manufacturing and Quality: Global Footprint Strengthening the Supply Foundation

The Group continuously drives the alignment of its manufacturing system with international quality standards and deepens its global production capacity layout. With injectable production lines located in India and Europe of its subsidiary Gland Pharma covering markets such as the U.S. and Europe, as at the end of the Reporting Period, 17 workshops/production lines of the pharmaceutical manufacturing segment in Chinese mainland have passed GMP certifications from major regulatory markets including the U.S., EU and WHO. In particular, the biologics production lines of Shanghai Henlius, a subsidiary, have normalized supply to markets including China, Europe, Latin America, Southeast Asia and India. The internationalization of production standards ensures the stability and quality controllability of the global supply chain.

(3) Registration: Enhancing Global Regulatory Affairs Systems and Submission Capabilities

The Group consistently adheres to a clinical value-oriented approach, and has constructed a regulatory registration network covering core global markets including China, the U.S., Europe, Japan, India, Africa, Southeast Asia, and the Middle East, building the capability in global registration based on integrated R&D and manufacturing characterized by "breakthrough in Europe and the U.S., and deep cultivation in emerging markets." This forward-looking initiative propels the Group into an intensive realisation period for obtaining global approvals for launch of its Innovative Drugs.

In 2025, the Group achieved a deep integration of R&D and regulatory efficiency with pipeline value, and continued to enhance its global simultaneous development capabilities:

- Global penetration of core products: as at the end of the Reporting Period, the innovative drug Serplulimab Injection (anti-PD-1 monoclonal antibody) has been approved for launch in over 40 countries and regions worldwide, demonstrating strong international clinical recognition and market access capabilities.

- Comprehensive breakthroughs in European and American markets: during the Reporting Period, a series of products such as the biosimilar Denosumab, were successively approved for launch by the U.S. FDA and the EU, which signifies that the quality system and registration capabilities of the Group's biopharmaceutical platform have achieved international high-standard certification, enabling deep coverage of major European and American markets.

- Accelerated deepening in emerging markets: during the Reporting Period, the small molecular innovative drug Fu Mai Ning (luvometinib tablets) was granted "Breakthrough Therapy" designation by Saudi Arabia, creating a leverage to accelerate the penetration into the Middle East and global markets.

- Continued leadership in cutting-edge fields: the NDA for the Group's second CAR-T cell therapy product, Brexucabtagene Autoleucel Injection (project code: FKC889), has been accepted by the NMPA, which is expected to further consolidate the Group's first-mover advantage in the field of precision therapy on oncology.

- Two-way flow of global value: in recent years, the Group has not only promoted the overseas launch of its self-developed products but has also efficiently licensed-in and obtained NMPA approvals in Chinese mainland for several overseas originator drugs, including Akyzeo (netupitant and palonosetron hydrochloride capsules), Pu Rui Ning (pretomanid tablets), Wan Ti Le (tenapanor hydrochloride tablets), and DAXXIFY (botulinum toxin type A for injection), establishing a two-way empowerment pattern that equally emphasizes "bringing in" and "going global."

(4) Commercialization: Multi-Model Deployment to Build Mature International Operational Capabilities

The Group continues to build a professional, digital and compliant commercialization system, and has established dedicated sales teams focusing on oncology, immunology, inflammation and chronic diseases. As at the end of the Reporting Period, the Group's commercialization teams cover major markets including China, the U.S. and Africa with more than 6,000 employees, and regional distribution centers were established in emerging markets such as Africa and Southeast Asia.

In the pharmaceutical manufacturing sector, as at the end of the Reporting Period, Yi Kai Da (ejilunsai injection), a CAR-T cell therapy product, had been included in over 110 urban customized commercial health insurances and over 90 commercial insurances, while the number of certified treatment centers on record exceeded 210, covering more than 29 provinces and municipalities across China, and the product was included in the first edition of the Commercial Health Insurance Innovative Drugs Catalogue in December 2025.

In the high-end medical devices sector, as at the end of the Reporting Period, the cumulative installation of the "Da Vinci Surgical Systems" in Chinese mainland, Hong Kong, and Macau regions exceeded 500 units, serving over 860,000 patients cumulatively. The Ion Bronchial Navigation System recorded a cumulative installation of 9 units in Chinese mainland, serving more than 600 patients. Meanwhile, the Group through its subsidiary Fosun Insightec, is steadily advancing the clinical promotion of the " MRgFUS " system.

In December 2025, several of the Group's products (including several products newly approved for launch in 2025) were included in the 2025 National Medical Insurance Drugs Catalogue for the first time (to take effect in January 2026) or had their annotation information adjusted; the CAR-T cell therapy product Yi Kai Da (ejilunsai injection) was included in the first edition of the Commercial Insurance Innovative Drugs Catalogue. For details of the products newly included in the National Medical Insurance Drugs Catalogue and the first edition of the Commercial Health Insurance Innovative Drugs Catalogue (including products with adjustments to annotation information), please refer to Table 2.

Table 2: Products Newly Included in the National Medical Insurance Drugs Catalogue and the First Edition of the Commercial Health Insurance Innovative Drugs Catalogue

Category	Product name	Trade name in Chinese mainland
2025 National Medical Insurance Drugs Catalogue		
Newly included	Luvomeitinib tablets	Fu Mai Ning
	Fovinaciclib citrate capsules	Fu Tuo Ning
	Tenapanor hydrochloride tablets	Wan Ti Le
	Pirfenidone oral suspension	Ao Jie Ning
	Pretomanid tablets	Pu Rui Ni
Annotation adjusted (New indication)	Keverprazan hydrochloride tablets	Bei Wen
Annotation adjusted (Updated indication description)	Telpegfilgrastim injection	Pei Jin
First Edition Commercial Insurance Innovative Drugs Catalogue		
Newly jncluded	Ejilunsai injection	Yi Kai Da

The Group adopts a dual-track model of license and self-operation to conduct commercialization in the overseas markets. In the United States, the Group has actively promoted the sales of generic drugs and the preparation for the launch of the innovative monoclonal antibody Serplulimab injection (anti-PD-1 monoclonal antibody), continuously strengthening its commercialization capabilities in the US market. As at the date of this report, Serplulimab injection (anti-PD-1 monoclonal antibody) has been approved for launch in more than 40 countries and regions. In emerging markets, the Group has established a marketing network covering more than 40 countries and regions in African pharmaceutical market. In Southeast Asia and the Middle East, the Group has accelerated the launch of innovative products through strategic cooperation.

In terms of the medical devices business, Sisram Medical, a subsidiary, has continued to expand its global market by strengthening a strategy combining digital channels with direct sales and distribution. As at the end of the Reporting Period, it had established 12 direct-sales offices worldwide, with marketing network spanning over 110 countries and regions worldwide. Breas, a subsidiary, has set up 7 subsidiaries globally, with a marketing network covering more than 50 countries and regions.

(5) Academic Influence: Delivering High-quality Clinical Data and Strengthening International Professional Recognition

The Group adheres to evidence-based medicine. As at the date of this report, clinical data for multiple pipeline, incubated and marketed products have been presented at global academic conferences including the American Society of Clinical Oncology (ASCO), the Chinese Society of Clinical Oncology (CSCO), the Annual Meeting of the American Association for Cancer Research (AACR), the European Society for Medical Oncology (ESMO), the European Hematology Association (EHA), Neurofibromatosis Conference (NF Conference) and Association for Research in Otolaryngology (ARO), as well as published in leading global journals including The Lancet, Nature Medicine and Drugs. Through the continuous delivery of high-quality clinical outcomes, the Group's professional influence in the global medical community has steadily increased, providing solid academic support for the international registration and global commercial expansion of its products.

3. Fully Embracing AI: Continuous Growth in Digitalization and AI-empowered Business

The Group continues to deepen its digitalization and AI strategic layout, and systematically advances the platformisation, engineering and scaled implementation of AI capabilities focusing on core aspects such as new drug R&D, clinical research, products and services, and operation management. On this basis, the fully AI-embracing strategy centered on FoSTRAID (Fosun Pharma Strategic Transformation via AI & Data science) was further defined and steadily advanced. By integrating resources, a digital-intelligence architecture that promotes synergistic development across "foundation — platform — data — agent — scenario — mechanism" has been established, systematically driving the deep integration of AI into key aspects including drug R&D, clinical development, production and operation, and post-launch lifecycle management.

During the Reporting Period, utilizing the PharmAID® Pharmaceutical Intelligence Platform as the core digital-intelligence foundation, the Group continued to solidify its data foundation by relying on the AquaVista Integrated Data Platform. The Group prioritized advancing the development of innovative application scenarios such as the MedAlkaid Scientific Research Agent, progressively enhanced foundational capabilities including the data lakehouse, knowledge hub, multi-agent system and co-creation platform, and promoted the application across multiple scenarios such as target selection, molecular structure optimization, AI-assisted decision-making and project evaluation, clinical project efficiency enhancement, and business process optimization.

(1) R&D: Building an Integrated Digital-intelligence Platform to Enhance Decision-making Quality and R&D Efficiency

The Group is committed to building an AI R&D and application capability system covering the entire drug R&D process.

- **PharmAID® Pharmaceutical Intelligence Platform:** more than 10 functional modules have been integrated, covering high-frequency research scenarios such as XingZai (星仔) pharmaceutical professional Q&A, strategic intelligence provider, AI medical translation, patent insight, protocol review, medical writing, and decision evaluation, thereby helping to improve R&D quality and efficiency. During the Reporting Period, the platform continued to iterate and upgrade, gradually evolving into a "Virtual R&D Decision Expert" to support R&D decision-making, which increased the efficiency of intelligent extraction of drug R&D and industrial intelligence information by approximately 50%, providing systematic support for drug commercial value assessment, R&D intelligence acquisition, and R&D decision-making.

- **AquaVista Data Lakehouse Integrated Platform:** relying on this platform, the Group continues to advance the construction of the pharmaceutical data foundation, and improves data governance, standardized processing and data integration capabilities, thereby providing stable data support for AI model training, intelligent analysis and the implementation of scenario-based applications.

- **MedAlkaid Scientific Research Agent:** targeting clinical research and medical study scenarios, the MedAlkaid Scientific Research Agent provides researchers with intelligent research assistance. The "Clinical Research Protocol Review" module, which has been launched, can automatically analyze research design elements, identify potential risks and generate structured review reports, thereby improving the quality of research protocol design and evaluation efficiency.

- **"Star Chart Program (星圖計劃)" AI Digital Intelligence System for Early-Stage Drug R&D:** for early-stage drug research, the Group continues to advance its AI drug discovery and computing platform based on the "Star Chart Program (星圖計劃)" blueprint. By constructing a model matrix encompassing functional modules such as chemical structure calculation, molecular generation, virtual screening, and predictive assessment of pharmacology, toxicology, immunogenicity and safety, the Group aims to achieve high-throughput computation and intelligent screening of candidate molecules and enhance the efficiency of early-stage molecular design and evaluation.

- **Collaborative Innovation:** the Group practices an open-ended R&D model, and continues to explore AI applications in drug R&D and digital twins through internal platforms (such as Fosun Pharma's DTC early-stage research platform and HAI Club) and external collaborations. Meanwhile, the Group has established an AI + Medicine & Healthcare Joint Innovation Center in the Guangdong-Hong Kong-Macao Greater Bay Area, integrating hospitals, research institutions and industry partners to jointly advance the development of an AI research platform and an autoimmune disease-specific database, thereby promoting the practical application of AI technology in original innovation and medical research.

(2) Application: Empowering Products, Services and Operations

The Group continues to advance the application of AI in products, healthcare services and operational management:

- **Intelligent Diagnostic & Therapeutic Products:** the AlmaIQ™ intelligent skin analysis and consultation device of Sisram Medical, a subsidiary, provides real-time AI skin analysis to help address skin health issues. The "JediVision® pulmonary nodule marker placement and localization device", which is an AI-powered surgical navigation device of incubated venture Futuo Zhida, was approved for launch by NMPA in June 2025, creating a new phase of intraoperative real-time navigation for pulmonary nodule surgery.

- **Smart Healthcare Solutions:** Fosun Xingmai, a subsidiary, offers comprehensive AI healthcare service solutions spanning multiple clinical departments, which deeply covers both medical institutions and primary healthcare scenarios, and continuously enhances capabilities in AI-powered pathology, imaging for early screening and hierarchical diagnosis and therapy.

- **Operational Efficiency Improvement:** the domestic marketing platform utilizes modules such as "Medication Assistant" and "Medical Consultation" to provide intelligent training and business empowerment for post-launch medicine, market and academic teams. Through the "Medical Intelligent Q&A" system platform, it provides 7*24 digital pharmaceutical customer service, and is capable of promptly aggregating and reporting serious adverse reaction information. Healthcare services segment leverages AI-powered outbound calls and the "Star Doctor" mini-program to offer patients services including consultation guidance, follow-up and report interpretation, thereby enhancing patient royalty.

II. SEGMENT PERFORMANCE OVERVIEW

1. Pharmaceutical manufacturing

Performance summary

During the Reporting Period, the Group intensified its support and development efforts for innovative products, and focused on its core therapeutic areas. The Group continued to advance business streamlining and strengthened the integrated operation of its three major systems of R&D, manufacturing and marketing to enhance efficiency, while continuously promoting cost reduction and efficiency improvement. In 2025, the pharmaceutical manufacturing segment of the Group recorded revenue of RMB29,683 million, representing a year-on-year increase of 3.15%. Among which, revenue from Innovative Drugs amounted to RMB9,893 million, representing a year-on-year increase of 29.59%. Segment results in 2025 amounted to RMB3,318 million, representing a year-on-year increase of 0.42%, while segment profit amounted to RMB3,429 million, representing a year-on-year increase of 5.51%.

During the Reporting Period, the Group continued to optimise its innovative R&D system, concentrated on advantageous pipelines and enhanced efficiency by integrating its R&D system. Meanwhile, it accelerated the transformation and commercialization of innovative technologies and products by adopting a diversified and multi-tiered R&D model, which includes independent R&D, co-development, licensed-in projects, fund incubation and industrial investment. During the Reporting Period, the total R&D expenditure of the Group in the pharmaceutical manufacturing segment amounted to RMB5,361 million, representing a year-on-year increase of 9.19% and accounted for 18.06% of the revenue from pharmaceutical manufacturing segment, representing a year-on-year increase of 1.00 percentage points. Among which, R&D expenditure related to Innovative Drugs amounted to RMB4,303 million, representing a year-on-year increase of 15.98% and accounted for 14.50% of the revenue from pharmaceutical manufacturing segment, representing a year-on-year increase of 1.61 percentage points.

Revenue from major products in the major therapeutic areas under the pharmaceutical manufacturing segment of the Group during the Reporting Period is set out in the following table:

Unit: million Currency: RMB

Major therapeutic area	2025	2024	Year-on-year increase on the same basis (%)
Major products of tumor and immune modulation *(Notes 1, 2)*	**9,708**	8,085	20.08
Major products of anti-infection *(Note 2)*	**2,950**	3,126	–5.63
Major products of metabolism and alimentary system *(Note 2)*	**2,599**	2,793	–6.95
Major products of cardiovascular system *(Note 2)*	**1,958**	1,912	2.42
Major products of central nervous system *(Note 2)*	**1,001**	1,099	–8.98
Major products of APIs and intermediate products *(Note 2)*	**1,115**	1,106	0.82

Note 1: Mainly due to the combined effect of the sales growth of Han Li Kang (rituximab injection), Han Nai Jia (neratinib maleate tablets), Akynzeo (netupitant and palonosetron hydrochloride capsules) and Han Si Zhuang (serplulimab injection), and the revenue contribution from Yi Kai Da (ejilunsai injection), as well as the sales decline of Su Ke Xin (avatrombopag maleate tablets).

Note 2: Major products of tumor and immune modulation comprise: Han Qu You (trastuzumab injection) and trastuzumab drug substance, Han Li Kang (rituximab injection), Han Si Zhuang (serplulimab injection), Akynzeo (netupitant and palonosetron hydrochloride capsules), Yi Kai Da (ejilunsai injection), Pei Jin (telpegfilgrastim injection), Han Bei Tai (bevacizumab injection), Han Nai Jia (neratinib maleate tablets), Kai Lai Zhi (epinastine hydrochloride capsules), Su Ke Xin (avatrombopag maleate tablets), Ke Sheng (Xihuang capsules), Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin), Han Da Yuan (adalimumab injection), Otezla (apremilast tablets), Zhao Hui Xian (bicalutamide tablets), Yi Luo Ze/Tu Mei Si (pemetrexed disodium for injection), ondansetron, paclitaxel, Fu Mai Ning (luvometinib tablets), Di Kai Mei (sorafenib tosylate tablets), oxaliplatin, Denosumab injection and Fu Tuo Ning (fovinaciclib citrate capsules).

Major products of anti-infection comprise: antimalarial series such as artesunate, Cravit (levofloxacin tablets), Cravit (levofloxacin injection), daptomycin, Pai Shu Xi Lin (piperacillin sodium and tazobactam sodium for injection), anti-tuberculosis series, rabies vaccine (Vero cell) for human use (freeze dried), caspofungin, micafungin, He Pu Ding (lamivudine tablets), Xi Chang/Bi Li Shu (cefmetazole sodium for injection), Qiang Shu Xi Lin/Qin Shu/Er Ye Qin (piperacillin sodium and sulbactam sodium for injection), Sha Duo Li Ka (potassium sodium dehydroandrographolide succinate for injection), vancomycin, Er Ye Bi (ceftizoxime sodium for injection), Si Ke Ni (azithromycin capsules), Sai Fu Nuo (cefminox sodium for injection), Comirnaty (mRNA COVID-19 vaccine), rabies vaccine (VERO cell) for human use (non-freeze dried), Jie Bei An (azvudine tablets) and Ka Di (flucloxacillin sodium for injection).

Major products of metabolism and alimentary system comprise: Atomolan (glutathione tablets), You Li Tong (febuxostat tablets), Bei Wen (keverprazan hydrochloride tablets), Ke Yi (new compound aloe capsules), animal insulin and its preparations, Atomolan (glutathione for injection), Yi Bao (recombinant human erythropoietin for injection (CHO cells)), Wan Su Jing (empagliflozin tablets), Li Qing (alfacalcidol tablets), Pu Rui Ni (pretomanid tablets), Wan Su Ping (glimepiride tablets), human insulin and its preparations, Bei Yi (potassium chloride granules) and Pang Bi Fu (etelcalcetide injection).

Major products of cardiovascular system comprise: heparin series preparations, Yi Xin Tan (sacubitril valsartan sodium tablets), Bang Tan (telmisartan tablets), Ya Ni An (amlodipine besilate tablets), Bang Zhi (pitavastatin calcium tablets), Ke Yuan (calcium dobesilate capsules), Xin Xian An (meglumine adenosine cyclophosphate for injection), You Di Er (alprostadil dried emulsion for injection), Su Ka Xin (indapamide tablets) and propranolol hydrochoride injection.

Major products of central nervous system comprise: Qi Wei (quetiapine fumarate tablets), Ao De Jin (deproteinised calf blood serum injection), Chang Tuo Ning (penehyclidine hydrochloride injection), lorazepam tablets, rocuronium bromide, dexmedetomidine and Qi Cheng (escitalopram oxalate tablets).

Major products of APIs and intermediate products comprise: amino acid series, tranexamic acid, levamisole hydrochloride and clindamycin hydrochloride.

* The data of 2024 was restated according to the basis of 2025.

In 2025, there were a total of 46 preparations or series of products in the pharmaceutical manufacturing segment of the Group:

Currency: RMB

Sales during the Reporting Period	Number	Preparation varieties or series
Over 1 billion	4	Han Si Zhuang (serplulimab injection), Han Qu You (trastuzumab injection), Han Li Kang (rituximab injection), Heparin series preparations
500 million to 1 billion	6	Yi Kai Da (ejilunsai injection), Akynzeo (netupitant and palonosetron hydrochloride capsules), Atomolan (glutathione tablets), Antimalarial series such as artesunate, etc.
300 million to 500 million	6	Pei Jin (telpegfilgrastim injection), Bei Wen (keverprazan hydrochloride tablets), Han Bei Tai (bevacizumab injection), Han Nai Jia (neratinib maleate tablets), etc.
100 million to 300 million	30	Han Da Yuan (adalimumab injection), Chang Tuo Ning (penehyclidine hydrochloride injection), Fu Ke Shu (anti-human T-lymphocyte rabbit immunoglobulin), Anti-tuberculosis series and Qi Wei (quetiapine fumarate tablets), etc.

For details on brief introductions of the Group's top ten product varieties or series, please refer to Table 3.

Table 3: Brief introduction of the Group's top ten product varieties or series

No.	Therapeutic area	Product name and trade name in Chinese mainland	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
1	Tumor and immune modulation	Han Li Kang (rituximab injection)	This drug was approved for launch by the NMPA in February 2019, and is the first domestic biosimilar. Its approved indications include: non-Hodgkin's lymphoma, chronic lymphoblastic leukaemia, rheumatoid arthritis (RA) indication. It is also the first rituximab approved for rheumatoid arthritis (RA) indication in China.	Yes	
2		Han Qu You (trastuzumab injection)	This drug is the first trastuzumab biosimilar approved for launch in China, and also the domestic monoclonal antibody biosimilar approved by China, Europe and the United States. As at the end of the Reporting Period, this drug has been approved for launch in more than 50 countries and regions, including China, Europe, the United States, Australia and Canada. The drug's trade name in EU: Zercepac, the trade name in the United States: HERCESSI™, and the trade name in Canada: Adheroza. Its approved indications include: HER2 positive early breast cancer, metastatic breast cancer, and metastatic gastric cancer.	Yes	
3		Han Si Zhuang (serplulimab injection)	This drug (anti-PD–1 monoclonal antibody) was approved for launch by the NMPA in March 2022, and is the first innovative monoclonal antibody independently developed by the Group. In February 2025, the drug was approved by the EC, making it the first anti-PD–1 monoclonal antibody approved in the EU for the treatment of extensive-stage small cell lung cancer (ES-SCLC), with the EU trade name: Hetronifly. As at the date of this report, the drug has been approved for launch in more than 40 countries and regions. Its approved indications include: first-line treatment of squamous non-small cell lung cancer (sqNSCLC), extensive-stage small cell lung cancer (ES-SCLC), esophageal squamous cell carcinoma (ESCC) and non-squamous non-small cell lung cancer (nsNSCLC). It is the first anti-PD–1 monoclonal antibody drug approved for the first-line treatment of small cell lung cancer in the world. It has been recommended by guidelines including CSCO Guidelines on Small Cell Lung Cancer Treatment, CSCO Guidelines on Non-Small Cell Lung Cancer Treatment, CSCO Guidelines on Esophageal Cancer Treatment, CSCO Guidelines on Colorectal Cancer Treatment and CSCO Guidelines on Clinical Application of Immune Checkpoint Inhibitors.	No	

Table 3: Brief introduction of the Group's top ten product varieties or series (Continued)

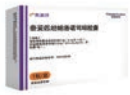
No.	Therapeutic area	Product name and trade name in Chinese mainland	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
4	Tumor and immune modulation	Yi Kai Da (ejilunsai injection)*	This product was approved for launch by the NMPA in June 2021, and is the first CAR-T cell therapy product approved for domestic launch. Its approved indications include: adult patients with relapsed or refractory large B-cell lymphoma (r/r LBCL) after prior second-line or higher systemic therapy, adults patients with large B-cell lymphoma (r/r LBCL) refractory to first-line immunochemotherapy or relapsing within 12 months of first-line immunochemotherapy (conditional approved). As at the end of the Reporting Period, this product has been included in over 110 urban customized commercial health insurances and over 90 commercial insurances, while the number of treatment centers on record exceeded 210, covering more than 29 provinces and municipalities across China, and has been included in the first edition of the Commercial Health Insurance Innovative Drugs Catalogue.	No	
5		Akynzeo (netupitant and palonosetron hydrochloride capsules)*	This drug was approved for launch by the NMPA in August 2019 and was approved for registration in Hong Kong in July 2017. It is the world's first dual-channel fixed-dose combination oral compound preparation that simultaneously blocks both NK–1 receptors and 5-HT3 receptors. Its approved indication is prevention of acute and delayed nausea and vomit arising from highly emetogenic chemotherapy in adult patients.	Yes	
6	Metabolism and alimentary system	Atomolan (preparations for glutathion series)	This series include Atomolan (glutathione tablets) and Atomolan (glutathione for injection), both of them are class B drug under National Medical Insurance Drugs Catalogue and the basic medicine for liver diseases. In particular, Atomolan (glutathione tablets) are the first glutathione oral preparations in China, while Atomolan (glutathione for injection) is the first generic drug of its kind in China.	Yes	
7		You Li Tong (febuxostat tablets)	You Li Tong (febuxostat tablets) was approved for launch by the NMPA in June 2013. The approved indication is for the long-term treatment of hyperuricemia in patients with gout.	Yes	

Table 3: Brief introduction of the Group's top ten product varieties or series (Continued)

No.	Therapeutic area	Product name and trade name in Chinese mainland	Description of product	Whether is included in the National Medical Insurance Drugs Catalogue	Photo of product
8	Anti-infection	Antimalarial series such as artesunate	This series include Artesun and Argesun (artesunate for injection), SPAQ-CO (sulfadoxine pyrimidine dispersible tablets + amodiaquine dispersible tablets) and the D-ARTEPP series (dihydroartemisininpiperaquine phosphate tablets) etc. In particular, artesunate is the first class 1 new drug in China. As at the end of the Reporting Period, the Group has accumulated a portfolio of 40 antimalarial drugs (including APIs and preparations) with WHO PQ. The second generation of artesunate for injection (Argesun) was registered and approved in 25 countries. As at the end of the Reporting Period, the Group has supplied over 440 million doses of artesunate for injection across the world, treating over 88 million patients with severe malaria globally. The "Seasonal Malaria Chemoprevention Programme", with the SPAQ-CO series products as its core medicines, has benefited children in Africa through over 330 million patient visits.	Some of products are included	
9		Cravit (levofloxacin Preparations)	This series includes Cravit (levofloxacin tablets) and Cravit (levofloxacin sodium chloride injection), both of which are included in the National Essential Drugs Catalogue and classified as Category A drugs under the National Medical Insurance Drugs Catalogue. These preparations are primarily indicated for the treatment or prevention of infections proven or highly suspected to be caused by susceptible bacteria, and are recommended as first-line anti-infective therapies by a number of authoritative guidelines domestically and internationally.	Yes	
10	Cardiovascular system	Heparin series preparations	This series include enoxaparin sodium injection, heparin sodium injection, low molecular weight heparin for injection and nadroparin calcium injection etc.. Heparin series preparations are mainly used for the prevention of thrombosis or treatment of embolism. The Group has the full industry chain supply capability for low-grade and high-grade heparin products, low-molecular heparin raw materials and preparations, and the sales network covers China, the United States, South America, Europe, the Middle East and Southeast Asia.	Some of products are included	

* Being the licensed-in products of the Group.

R&D innovation

The Group has progressively established a high-value pipeline portfolio focusing on core therapeutic areas including oncology (solid tumors, hematologic tumors), immunology, inflammation and neurodegenerative diseases. Moving forward, the Group will continue to strengthen its core technology platforms encompassing antibodies, ADC, small molecules and cell therapy, while actively expanding its presence in cutting-edge technologies such as radiopharmaceuticals and small nucleic acids, strengthening early-stage innovation capabilities, and accelerating the transformation of R&D outcomes.

To promote the implementation of the innovation strategy in a high-quality manner and to continuously enhance R&D efficiency, a Scientific Advisory Board ("**SAB**") at the group level, mainly composed of the "external think tank", has been established to provide strategic guidance and insights assisting the management of the Group in formulating and optimizing the medium-and-long-term innovation strategy. The Group has also formed a pipeline committee composed of internal experts to formulate science-driven overall R&D strategies and plans and manage product portfolios. The Group continues to recruit seasoned scientists and high-level talents to comprehensively upgrade capabilities across early-stage R&D, CMC, clinical medicine and clinical operations.

During the Reporting Period, in terms of therapeutic drugs, a total of 7 Innovative Drugs with a total of 16 indications independently developed and licensed-in by the Group, and over 100 generic drug varieties were approved for launch both domestically and internationally. 6 Innovative Drugs and over 60 generic drug varieties were applied for launch both domestically and internationally. In addition, nearly 40 clinical trials of Innovative Drugs (calculated by approval) were approved by domestic and overseas regulatory institutions during the Reporting Period. During the Reporting Period, a total of 402 patents had been applied for in the pharmaceutical manufacturing segment of the Group, including 15 U.S. patent applications and 21 PCT applications; 71 licensed invention patent authorization were obtained.

For details on the progress of the Group's major pipelines during the Reporting Period, please refer to Table 4.

Table 4: Progress of major pipelines during the Reporting Period

Progress During the Reporting Period	Drug Name/Code	Drug Category	IND approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks
Approved for launch	Luvometinib tablets (trade name in Chinese mainland: Fu Mai Ning)	Chemical drug	For the treatment of adult patients with Langerhans cell histiocytosis (LCH) and histiocytic neoplasms						—
			For the treatment of pediatric and adolescent patients aged 2 years and above with symptomatic, inoperable plexiform neurofibromas (PN) associated with type 1 neurofibroma (NF1)						—
	Fovinaciclib citrate capsules (trade name in Chinese mainland: Fu Tuo Ning)	Chemical drug	In combination with fulvestrant for treatment of adult patients in hormone receptor (HR)-positive and human epidermal growth factor receptor 2 (HER2)-negative recurrent and metastatic breast cancers who have progression after prior endocrine therapy						—
			For adult patients with hormone receptor (HR) positive and human epidermal growth factor receptor–2 (HER2) negative locally advanced or metastatic breast cancer, to be used in combination with an aromatase inhibitor as initial endocrine therapy.						—
	Serplulimab injection (trade name in EU: Hetronifly®)	Biological product	In combination with carboplatin and etoposide for first-line treatment of adult patients with extensive-stage small cell lung cancer (ES-SCLC) (EU)						The progress is in the areas that have been licensed-out
	HLX14 (trade name in the U.S. and Europe: BILODYOS®, specification: 60mg/mL)	Biological product	Indications approved in the U.S.: (1) treatment of postmenopausal women with osteoporosis at high risk for fracture; (2) to increase bone mass in men with osteoporosis at high risk for fracture; (3) treatment of glucocorticoid-induced osteoporosis in men and women at high risk for fracture; (4) to increase bone mass in men at high risk for fracture receiving androgen deprivation therapy for nonmetastatic prostate cancer; (5) to increase bone mass in women at high risk for fracture receiving adjuvant aromatase inhibitor therapy for breast cancer. Indications approved in the EU.: (1) treatment of osteoporosis in postmenopausal women and in men at high risk of fractures; (2) treatment of bone loss associated with hormone ablation in men with prostate cancer at high risk of fractures; (3) treatment of bone loss associated with long-term systemic glucocorticoid therapy in adult patients at high risk of fracture.						The progress is in the areas that have been licensed-out
	HLX14 (trade name in the U.S. and Europe: BILPREVDA®, specification: 120mg/1.7mL)	Biological product	Indications approved in the U.S.: (1) prevention of skeletal-related events in patients with multiple myeloma and in patients with bone metastases from solid tumors; (2) treatment of adults and skeletally mature adolescents with giant cell tumor of bone that is unresectable or where surgical resection is likely to result in severe morbidity; (3) treatment of hypercalcemia of malignancy refractory to bisphosphonate therapy. Indications approved in the EU.: (1) prevention of skeletal related events (pathological fracture, radiation to bone, spinal cord compression or surgery to bone) in adults with advanced malignancies involving bone; (2) treatment of adults and skeletally mature adolescents with giant cell tumour of bone that is unresectable or where surgical resection is likely to result in severe morbidity.						The progress is in the areas that have been licensed-out
	HLX11 (trade name in the U.S.: POHERDY®)	Biological product	Indications approved in the U.S.: (1) in combination with trastuzumab and docetaxel for the treatment of adult patients with HER2-positive metastatic breast cancer (MBC) who have not received prior anti-HER2 therapy or chemotherapy for metastatic disease; and (2) in combination with trastuzumab and chemotherapy, as: ① part of a complete treatment regimen for adult patients with HER2-positive, locally advanced, inflammatory, or early-stage breast cancer (tumor size >2 cm or lymph node-positive) as neoadjuvant treatment; and ② adjuvant treatment for adult patients with HER2-positive early breast cancer at high risk of recurrence.						The progress is in the areas that have been licensed-out
	Tenapanor hydrochloride tablets (trade name in Chinese mainland: Wan Ti Le)	Chemical drug	Serum phosphorus level control in adult dialysis patients with chronic kidney disease (CKD) who exhibit inadequate or intolerant efficacy of phosphorus binders						—
	Quadrivalent influenza virus lysate vaccine	Preventive biological product	For use in preventing influenza caused by influenza viruses with vaccines						—

Table 4: Progress of major pipelines during the Reporting Period (Continued)

Progress During the Reporting Period	Drug Name/Code	Drug Category	IND approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks
NDA accepted	Brexucabtagene autoleucel injection (FKC889)	Therapeutic biological product	For the treatment of adult patients with relapsed or refractory precursor B-cell acute lymphoblastic leukemia (ALL)						—
	Luvometinib tablets (trade name in Chinese mainland: Fu Mai Ning)	Chemical drug	For the treatment of children aged 2 years and older with Langerhans cell histiocytosis (LCH)						—
	Serplulimab injection (trade name in Chinese mainland: Han Si Zhuang)	Therapeutic biological product	In combination with platinum-based chemotherapy for neoadjuvant treatment, followed by adjuvant treatment after surgery, for PD-L1 positive, operable gastric cancer patients						—
	Fortacin spray (lidocaine prilocaine aerosol)	Chemical drug	Treatment of primary premature ejaculation in adult males						—
	HLX14	Therapeutic biological product	(1) Treatment of osteoporosis in postmenopausal women at high risk of fractures; (2) in postmenopausal women, this product can significantly reduce the risk of vertebral, non-vertebral, and hip fractures; (3) treatment of osteoporosis in men at high risk of fractures; and (4) treatment of glucocorticoid-induced osteoporosis at high risk of fractures						—
	HLX11	Biological product	For the neoadjuvant/adjuvant treatment of HER2-positive early breast cancer, and the treatment of HER2-positive metastatic breast cancer (Europe, Canada)						The progress is in the areas that have been licensed-out
Under bridging trial	HLX10 (serplulimab injection)	Biological product	In combination with chemotherapy for first-line treatment of extensive-stage small cell lung cancer (ES-SCLC) (Japan)						—
Under phase III clinical study	Luvometinib tablets (trade name in Chinese mainland: Fu Mai Ning)	Chemical drug	For the treatment of pediatric patients with low-grade glioma						—
	SAF-189 (foritinib succinate capsules)	Chemical drug	For the adjuvant treatment following radical resection of tumor in patients with stage IB to IIIA non-small cell lung cancer (NSCLC) with anaplastic lymphoma kinase (ALK)-positive or c-ros sarcoma oncogene, receptor tyrosine kinase (ROS1)-positive status*						—
	HLX22	Biological product	For the first-line treatment of human epidermal growth factor receptor 2 (HER2)-positive advanced gastric cancer (Japan)						In combination with trastuzumab and chemotherapy
		Biological product	In combination with trastuzumab and chemotherapy (XELOX) versus trastuzumab and chemotherapy (XELOX) with or without pembrolizumab for the first-line treatment of human epidermal growth factor receptor 2 (HER2)-positive, locally advanced or metastatic gastroesophageal junction and gastric cancer (U.S.)						—

Table 4: Progress of major pipelines during the Reporting Period (Continued)

Progress During the Reporting Period	Drug Name/Code	Drug Category	IND approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks
Under phase II clinical study	FXS7553 (original project code: XH-S004)	Chemical drug	For the treatment of non-cystic fibrosis bronchial dilation						—
	HLX43	Therapeutic biological product	For the treatment of recurrent/metastatic esophageal squamous cell carcinoma (ESCC)						—
		Therapeutic biological product	For the treatment of advanced non-small cell lung cancer (NSCLC) (Chinese mainland, U.S.)						—
	HLX22	Therapeutic biological product	For the treatment of locally advanced or metastatic breast cancer						In combination of detrastuzumab
	HLX79 (human sialidase fusion protein)	Therapeutic biological product	For the treatment of active glomerulonephritis*						In combination of rituximab injection
	FXS6837	Chemical drug	For the treatment of relevant immune modulation diseases*						—
Under phase I clinical study	FXS7553 (original project code: XH-S004)	Chemical drug	For the treatment of chronic obstructive pulmonary disease*						*Note 1*
	24-valent pneumococcal polysaccharide conjugate vaccine	Preventive biological product	For the use in preventing pneumococcal disease*						—
	Rabies vaccine (human diploid cells) for human use (freeze-dried)	Preventive biological product	Rabies prophylaxis						—
	HLX13	Therapeutic biological product	For the first-line treatment of unresectable advanced hepatocellular carcinoma (HCC)*						*Note 2*
	HLX43	Therapeutic biological product	For the treatment of advanced/ metastatic solid tumors*						In combination of serplulimab, *Note 3*
	HLX17	Therapeutic biological product	For the treatment of patients with multiple resected solid tumors						—
	SRT–007	Chemical drug	For the diagnosis and treatment of PSMA positive metastatic castration resistant prostate cancer						*Note 4*
	FXS4640 (original project code: XS–03)	Chemical drug	For the treatment of RAS-mutated metastatic colorectal cancer*						In combination of standard treatment, *Note 5*
	FXS5960 (original project code:XS–04)	Chemical drug	For the treatment of hematological malignancies						—
	HLX37	Therapeutic biological product	For the treatment of advanced/ metastatic solid tumors*						—

Table 4: Progress of major pipelines during the Reporting Period (Continued)

Progress During the Reporting Period	Drug Name/Code	Drug Category	IND approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks
IND approved	HLX99	Chemical drug	For the treatment of amyotrophic lateral sclerosis (ALS) (U.S.)						—
	CMC–2310 oral soluable film	Chemical drug	For the treatment of schizophrenia in adult and pediatric patients aged 13 and above						—
	LBP-ShC4	Chemical drug	For the treatment of androgenic alopecia (AGA) (U.S.)						—
	HLX43	Biological product	For the treatment of thymic cancer (TC) (U.S.)						—
		Therapeutic biological product	For the treatment of advanced/ metastatic solid tumors						In combination of HLX07, *Note 6*
	HLX17	Biological product	For the treatment of patients with various resected solid tumors (U.S.)						—
	HLX13	Biological product	First-line treatment of patients with unresectable hepatocellular carcinoma (HCC) (U.S.)						The progress is in the areas that have been licensed-out
	FXS0887	Chemical drug	Advanced malignant solid tumor						*Note 7*
	HLX22	Therapeutic biological product	First-line treatment of HER2-positive breast cancer (BC)						In combination with HLX87, *Note 8*
			Neoadjuvant treatment for HER2-positive breast cancer (BCneo)						
	HLX18	Biological product	For the treatment of patients with various solid tumors (U.S.)						—
	Ketoprofen patch	Chemical drug	(1) For analgesia and anti-inflammatory indications for relevant diseases and symptoms; (2) for local analgesia in rheumatoid arthritis						*Note 9*

* Being drugs under development approved for clinical trial with the respective clinical study being commenced during the Reporting Period.

Note: Unless otherwise specified, the progress of the pipelines in the above Table were made in Chinese mainland.

Note 1: In July 2025, the Phase Ib clinical trial of FXS7553 for the treatment of chronic obstructive pulmonary disease was initiated in the Chinese mainland.

Note 2: In May 2025, the Phase I/III clinical study of HLX13 for the first-line treatment of patients with unresectable advanced hepatocellular carcinoma (HCC) was initiated in Chinese mainland.

Note 3: In January 2025, the application for the Phase Ib/II clinical trial of HLX43 in combination with serplulimab injection for the treatment of patients with advanced/metastatic solid tumors was approved by the NMPA. The respective clinical study was initiated in April 2025.

Note 4: The integrated diagnostic and therapeutic radiopharmaceuticals project SRT-007 comprises two injections: Gallium [68Ga] PSMA-0057 (for diagnosis) and Lutetium [177Lu] PSMA-0057 (for therapy); among them, Gallium [68Ga] PSMA-0057 injection is a radiopharmaceutical for diagnostic use, and Lutetium [177Lu] PSMA-0057 injection is a radiopharmaceutical for therapeutic use.

Note 5: In February 2025, the application for the Phase Ib/II clinical trial of FXS4640 in combination with standard treatment (i.e., FOLFOX or FOLFIRI and bevacizumab) for the treatment of RAS-mutated metastatic colorectal cancer was approved by the NMPA. The respective clinical study was initiated in May 2025.

Note 6: In September 2025, the initiation of the Phase Ib/II clinical trial of HLX43 in combination with HLX07 for the treatment of advanced/metastatic solid tumors was approved by the NMPA.

Note 7: In January 2026, the Phase I clinical trial of FXS0887 for the treatment of advanced malignant solid tumors was initiated in Chinese mainland.

Note 8: In December 2025, the initiations of (1) the Phase II/III clinical trial for the first-line treatment of HER2-positive breast cancer (BC), and (2) the Phase II/III clinical trial for the neoadjuvant treatment of HER2-positive breast cancer (BCneo) of HLX22 in combination with HLX87 were approved in Chinese mainland.

Note 9: In December 2025, the application for the Phase III clinical trial of Ketoprofen patches in Chinese mainland was approved by the NMPA, which are primarily intended for: (1) analgesia and anti-inflammatory indications for the following diseases and symptoms: low back pain (myofascial pain syndrome, spinal degenerative changes, intervertebral disc disorders, and lumbar sprain), osteoarthritis, scapulohumeral periarthritis, tendinitis and tenosynovitis, peritendinitis, external humeral epicondylitis (tennis elbow), muscle pain, and swelling and pain caused by trauma; and (2) local analgesia in rheumatoid arthritis.

As at the end of the Reporting Period, there were nearly 70 major pipeline projects of the Group on Innovative Drugs (calculated by indications); please refer to Table 5 to Table 7 for details.

Table 5: Key clinical development pipeline for innovative drugs

Therapeutic area	Technology Platform	Drug Name/code	Target	Indications	IND Approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks[Note]
Solid tumors	Antibody	Serplulimab injection + chemotherapy	PD-1	Extensive-stage small cell lung cancer (ES-SCLC)							Bridging trial (U.S., Japan)
				Neo-/adjuvant treatment of gastric cancer (GC)							*Note 1*
		Serplulimab injection + chemotherapy + radiotherapy		Limited-stage small cell lung cancer (LS-SCLC)							International multi-center
		Serplulimab injection + bevacizumab + chemotherapy	PD-1+VEGF	Metastatic colorectal cancer (mCRC)							International multi-center
		HLX22* + standardized treatment[2]	HER2 + HER2	HER2-positive locally advanced or metastatic gastroesophageal junction and gastric cancer (GC)							International multi-center
		Serplulimab injection + HLX07	PD–1+EGFR	Squamous non-small cell lung cancer (sqNSCLC), etc.							—
		HLX22* + standardized treatment/ detrastuzumab	HER2 + HER2 ADC	HER2-low expressing, HR-positive locally advanced or metastatic breast cancer							—
		HLX07	EGFR	Solid tumor							Approved for clinical trial (U.S.)
				Locally advanced or metastatic cutaneous squamous cell carcinoma (CSCC)							Approved for clinical trial (U.S.)
		HLX37	PD-L1/VEGF	Advanced/metastatic solid tumors							—
		HLX22* + serplulimab injection + standardized treatment (trastuzumab in combination with chemotherapy)	HER2 + PD-1	HER2-positive advanced gastric cancer							—
		HLX22* + HLX87	HER2 + HER2 ADC	HER2-positive breast cancer (BC), HER2-positive breast cancer neoadjuvant therapy (BCneo)							—
	ADC	FS-1502*	HER2	HER2-positive locally advanced or metastatic breast cancer							—
		HLX43	PD-L1	Advanced NSCLC							International multi-center
				Recurrent/metastatic ESCC, MCRC, CC, etc.							—
		HLX43 + serplulimab injection	PD-L1+EGFR	Advanced/metastatic solid tumors							—
		HLX43	PD-L1+EGFR	Advanced/metastatic solid tumors							Approved for clinical trial (U.S.)
		HLX43 + HLX07	PD-L1	Advanced/metastatic solid tumors							—

2 trastuzumab in combination with chemotherapy; the same applies below.

Table 5: Key clinical development pipeline for innovative drugs (Continued)

Therapeutic area	Technology Platform	Drug Name/code	Target	Indications	IND Approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks[Note]
Solid tumors	Small Molecules	Fu Mai Ning (luvomeitinib tablets, project code: FCN-159)	MEK1/2	Neurofibromatosis type 1 (children)							—
				Langerhans cell histiocytosis (LCH) and histiocyte neoplasms (adults)							—
		Fu Tuo Ning (fovinaciclib citrate capsules, project code: FCN-437c)	CDK4/6	In combination with fulvestrant for treatment of hormone receptor (HR) positive and human epidermal growth factor receptor 2 (HER2) negative recurrent and metastatic breast cancers who have progression after prior endocrine therapy							—
				In combination with aromatase inhibitors for the treatment of HR-positive, HER2-negative locally advanced or metastatic breast cancer							—
		Fu Mai Ning (luvomeitinib tablets, project code: FCN-159)	MEK1/2	Langerhans cell histiocytosis (LCH) (children)							*Note 2*
		Foritinib succinate capsules (SAF-189)	ALK	Non-small cell lung cancer (ALK+)							Approved for clinical trial (U.S.)
		Fu Mai Ning (luvomeitinib tablets, project code: FCN-159)	MEK1/2	Neurofibromatosis type 1 (adults)							*Note 3*
				Low-grade glioma (children)							—
		HLX78* (lasofoxifene tablets)	Selective estrogen receptor modulator	Breast cancer							International multi-center
		FXS4640 (original project code: XS-03)	PLK1	In combination with, FOLFOX or FOLFIRI and bevacizumab for RAS-mutated metastatic colorectal cancer							—
		FXS7490 (original project code: XS-02)	CHK1	Advanced solid tumors							—
		FXS0887	ATR	Advanced malignant solid tumors							*Note 4*
	Radiopharmaceuticals	SRT-007*	PSMA	PSMA-positive mCRPC							*Note 5*
	Others	VT-101	—	Advanced head and neck squamous cell carcinoma, melanoma, breast cancer and other solid tumors							Approved for clinical trial (U.S.)
Hematological tumors	Cell therapy	Brexucabtagene autoleucel injection* (project code: FKC889)	CD19	Adult r/r ALL							—
				Adult r/r MCL							—
		Yi Kai Da* (ejilunsai injection)	CD19	Relapsed or refractory indolent non-Hodgkin lymphoma (r/r iNHL)							—
	Small molecule	FXS5960 (original project code: XS-04)	IRAK4/BTK/FLT3	Hematological tumors							—

Table 5: Key clinical development pipeline for innovative drugs (Continued)

Therapeutic area	Technology Platform	Drug Name/code	Target	Indications	IND Approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks[Note]
Immunology and inflammation	Small molecule	FXS6837	CFB	Diseases related to the immune modulation							—
		FXS7553 (original project code: XH-S004)	DPP1	Non-cystic fibrosis bronchiectasis (NCFBE)							—
		FXS5626* (original project code: AC-201)	TYK2/JAK1	Plaque psoriasis							—
				Active pulmonary infectious uveitis							—
		FXS7553 (original project code: XH-S004)	DPP1	Chronic obstructive pulmonary disease (COPD)							—
	Antibody	HLX6018	GARP/ TGF-β1	Idiopathic pulmonary fibrosis							—
Central nervous system	Small molecule	Opicapone*	COMT	Parkinson syndrome							—
		FXS4983* (original project code: AR1001)	PDE5	Mild cognitive impairment (MCI) to mild Alzheimer's disease							International multi-center
		Methoxyetomidate hydrochloride injection (project code: ET-26)	—	Aanesthesia induction and short-duration surgical anesthesia							*Note 6*
Kidney and metabolism	Small molecule	Wan Ti Le* (tenapanor hydrochloride tablets, project code: Tenapanor)	NHE3	Serum phosphorus level control in adult dialysis patients with chronic kidney disease (CKD) who exhibit inadequate or intolerant efficacy of phosphorus binders							—
Others	Small molecule	Fortacin Spray* (lidocaine procaine aerosol)	—	Premature ejaculation							—
		OP0595 (Nacubactam)* + cefepime or aztreonam	β- lactamase	Treatment of adults infected by aerobic gram-negative bacteria with limited options							—
		Fu Mai Ning (luvometinib tablets, project code: FCN-159)	MEK1/2	Arteriovenous malformations							—
	Others	Fu Ke Shu®* (anti-human T-lymphocyte rabbit immunoglobulin)	—	Prevent graft-versus-host disease (GvHD) after the hematopoietic stem cell transplantation							—
		LBP-SHC4	—	Androgenetic alopecia (AGA) (U.S.)							*Note 7*

* Products licensed-in and under further development by the Group.

Note: Including progress in other regions/countries outside Chinese mainland, or progress occurring after the Reporting Period.

Note 1: In November 2025, Serplulimab injection in combination with chemotherapy for neoadjuvant/adjuvant treatment of gastric cancer (GCneo) was included in the breakthrough therapy drug program by the NMPA; in December 2025, Serplulimab injection (in combination with platinum-based chemotherapy as neoadjuvant therapy, being post-surgery adjuvant therapy for patients with PD-L1-positive resectable gastric cancer) was granted priority review by the NMPA.

Note 2: Fu Mai Ning (luvometinib tablets) for the treatment of Langerhans cell histiocytosis in children was included in the breakthrough therapy drug program in May 2025, and granted priority review in November 2025, respectively by the NMPA.

Note 3: In February 2026, the NDA for a new indication of Fu Mai Ning (Luvometinib tablets) (for treatment of adult patients with neurofibromatosis type 1 (NF1) who have symptomatic, inoperable plexiform neurofibromas (PN)) was accepted by the NMPA and has been granted priority review.

Note 4: In January 2026, the Phase I clinical trial of FXS0887 for the treatment of advanced malignant solid tumors was initiated in Chinese mainland.

Note 5: The integrated diagnostic and therapeutic radiopharmaceuticals project SRT-007 includes two injections: Ga-[68Ga] PSMA-0057 injection (for diagnosis) and Lu-[177Lu] PSMA-0057 injection (for therapy). Ga-[68Ga] PSMA-0057 injection is a radiopharmaceutical intended for diagnostic use, while Lu-[177Lu] PSMA-0057 injection is a radiopharmaceutical intended for therapeutic use.

Note 6: In February 2026, the NDA for methoxyetomidate hydrochloride injection (project code: ET-26) was accepted by the NMPA within the indication for this submission is for the induction of anesthesia and for anesthesia during short-duration surgical procedures.

Note 7: In March 2026, the application for the Phase I clinical trial of LBP-SHC4 for the treatment of androgenetic alopecia (AGA) were approved by NMPA.

Table 6: Major clinical R&D pipelines for biosimilars

Therapeutic area	Technology Platform	Drug Name/code	Targets	Indications	IND Approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks
Solid tumors	Antibody	HLX11	HER2	Neoadjuvant treatment of BC							Licensed-out area: approved for launch in U.S.
		HLX13	CTLA-4	Melanoma, hepatocellular carcinoma, etc.							Approved for clinical trial (U.S.)
		HLX05	EGFR	Metastatic colorectal cancer (mCRC) and head and neck squamous cell carcinoma (HNSCC)							—
		HLX15	CD38	Multiple myeloma (MM)							—
		HLX17	PD-1	Multiple types of resected solid tumors including melanoma, non-small cell lung cancer, esophageal cancer, head and neck squamous cell carcinoma, etc.							—
		HLX18	PD-1	Non-small cell lung cancer, melanoma and other solid tumors (U.S.)							Approved for clinical trial (U.S.)
Kidney and metabolism	Antibody	HLX79+ rituximab injection	Human sialidase fusion protein	In combination with Han Li Kang for the treatment of active glomerulonephritis							—
	Others	HLX14	RANKL	Osteoporosis (OP), skeletal-related events, etc.							Licensed-out area: approved for launch in U.S., EU
		Mixed protamine zinc recombinant insulin lispro injection (25R)	—	Diabetes							—
		Semaglutide injection	GLP-1	Diabetes							—
		Liraglutide injection	GLP-1	Diabetes							—
		Insulin degludec injection	—	Diabetes							—

Table 7: Major clinical R&D pipelines for pipeline vaccines

Drug Name/Code	Indications	IND Approved	Phase I	Phase II	Phase III	NDA Accepted	Approved For Launch	Remarks
Quadrivalent influenza virus lysate vaccine	Prevention of influenza							—
13-valent pneumococcal polysaccharide conjugate vaccine	Prevention of pneumococcal related diseases							—
24-valent pneumococcal polysaccharide conjugate vaccine	Prevention of pneumococcal related diseases							—
Rabies vaccine (human diploid cells) for human use (freeze-dried)	Rabies prophylaxis							—
23-valent pneumococcal polysaccharide vaccine	Prevention of related pneumococcal diseases							—

As at the end of the Reporting Period, a total of 48 products of the Group that had passed or deemed to have passed the consistency evaluation of generic drugs were selected in the total 11 batches of national centralized drug procurement and the insulin specialty successive procurement bidding. In particular, the results of the eleventh batch of centralized drug procurement has implemented since February 2026. For the existing products included in centralized drug procurement, the Group has leveraged the advantages of multi-channel marketing and lean production to strengthen the life cycle management of the centralized drug procurement products while sacrificing price for volume.

Production integration and streamlined operations: building a manufacturing system with international competitiveness

In order to further improve the competitiveness of the production system of the pharmaceutical manufacturing business, enhance operational efficiency and support the implementation of the internationalization strategy, the Group continued to deepen the resource integration and lean transformation at the production end, and systematically built an agile, efficient and compliant global supply chain system, by establishing large-scale production centers, deploying production lines with high technical barriers, and benchmarking international quality standards.

(1) Capacity integration and intensive layout: establishment of core production centers

The Group continued to advance intensive and regional integration at the production end to improve operational efficiency and strengthen cost advantages through economies of scale.

— Regional production and vertical integration: relying on the two preparations production bases and three API bases, the established medicines manufacturing and supply segment in China has formed large-scale regional manufacturing cores, enhancing the overall production efficiency. In particulars, three APIs bases were successively put into production or entered into stable operation, realizing the full-chain internal integration from APIs to preparations, and strengthening supply chain resilience and cost control capabilities.

— Global production capacity layout: as at the end of the Reporting Period, the total built capacity of the biologics production base of Shanghai Henlius, a subsidiary, was 84,000 liters, of which 48,000 liters was in commercial operation, and the base have normalized supply to the global market with distribution covering markets including China, Europe, Latin America, Southeast Asia and India. The injectable production lines located in India and Europe of Gland Pharma, a subsidiary, continued to supply markets such as the U.S. and Europe. In addition, during the Reporting Period, the main structure of Phase I of the Cote d'Ivoire park was successfully topped out, and the local production license has been obtained, laying a solid foundation for the subsequent localized manufacturing and establishment of supply networks in Africa.

— Stabilizing capital expenditure: with the completion of the core production capacity layout, the subsequent capital expenditure will mainly focus on optimization and maintenance of the fixed assets, and the overall investment intensity will be significantly reduced.

(2) Construction of high-technical-barrier production lines: enhancement on complex preparations manufacturing capabilities

The Group also actively deployed in the fields of complex preparations and special preparations. Multiple high-value-added production lines have entered into the commissioning or validation phases, continuously raising the technical and manufacturing threshold and the added value of the products.

— Commissioned or in trial production phase:

- Fosun Pharma (Xuzhou) Preparation Base: the construction of BFS production line, solid dispersion and OEB4 oral solid preparation production line has been completed, and the transfer and production of relevant products has commenced.

- Carelife Pharma API Base: the construction of polypeptide production line has been completed, and the trial production and transfer of relevant products has commenced.

— Entering validation phase:

- Fosun Wanbang's long-acting injection production line, Carelife Pharma API Base's Nacubactam production line, etc.

(3) *International quality standard certification: acceleration of global deployment for preparations*

The Group continued to benchmark against the standards of major international regulatory markets, and comprehensively advanced the international certification of its quality management system, laying a compliant foundation for product export. As at the end of the Reporting Period, 17 workshops/production lines in Chinese mainland under the pharmaceutical manufacturing segment of the Group have passed GMP certifications in major regulatory markets such as the U.S., EU and WHO.

— Progress in certification in European and American markets during the Reporting Period:

- Shanghai Henlius: production facilities for HLX11 and HLX14 passed GMP compliance inspections by the U.S. FDA and EU.
- Carelife Pharma (API Base Plant II): the routine surveillance inspection was passed by the U.S. FDA with zero defect, covering over ten high-value API products including pemetrexed disodium, lenvatinib mesilate, and carfilzomib.

— Progress in certification in emerging markets during the Reporting Period:

- Suzhou Erye: the enoxaparin sodium injection passed the GMP compliance inspection conducted by Malaysia's National Pharmaceutical Regulatory Agency (NPRA), thus contributing to the acceleration of the strategic deployment of heparin products in Southeast Asian market.
- Zhaohui Pharma: the production base for compound ketoconazole ointment completed an on-site inspection by the Philippines FDA.

2. Medical Devices and Medical Diagnosis

During the Reporting Period, the Group recorded revenue of RMB4,318 million from the medical devices and medical diagnosis segment, and achieved segment results of RMB–58 million, representing a year-on-year decrease in loss of RMB54 million; and segment profit amounted to RMB82 million, realizing a turnaround from loss to profit. The year-on-year increase in segment results and segment profit was due to the improvement in gross profit margin and operation efficiency during the Reporting Period, as well as the withdrawal of non-core assets.

Through business integration and synergy enhancement, the medical devices and medical diagnosis segment initially established core businesses focused on medical cosmetology, respiratory health, professional healthcare and in vitro diagnosis. Key progresses during the Reporting Period are as follow:

— Medical Cosmetology

- Energy-based Equipment: Sisram Medical launched the Alma IQ™ Intelligent Skin Analysis System and Universkin by Alma personalized skincare products; the Harmony and Soprano series performed well globally.
- Injectable Fillers: revenue of the new-generation sodium hyaluronic complex Profhilo® grew rapidly in Thailand; the high-end hyaluronic acid product Hallura® was commercialized in Israel. In addition, DAXXIFY (botulinum toxin type A for injection) completed its first clinical application in Chinese mainland in January 2026, officially entering the commercialization stage.

— Respiratory Health Products

- Sales of Breas's ventilator products continued to rise globally with rapid penetration growth in the U.S. market. Meanwhile, R&D expenditure was further increased with a focus on market access, and Clearo, EveryWare and two new functions of Vivo45 LS were approved for launch by the U.S. FDA during the Reporting Period.

— Professional Medical

- Fosun Insightec: as the operator of the "MRgFUS" brain therapy system, Fosun Insightec steadily advanced the registration of new models and expansion of new indications. The product's clinical value and recognition in the domestic market continued to improve, further accelerating clinical application and promotion.

- Associated company Intuitive Fosun: during the Reporting Period, 59 units of "Da Vinci Surgical Robots" were installed in Chinese mainland, Hong Kong and Macao regions; as at the end of the Reporting Period, the cumulative installation exceeded 500 units, serving over 860,000 patients. During the Reporting Period, the Ion Bronchial Navigation System ("**Ion System**") added 5 installations in Chinese mainland, with 436 surgeries performed throughout the year. As at the end of the Reporting Period, total installations reached 9 units, serving over 600 patients.

- Associated company Futuo Zhida: Jedi Vision® pulmonary nodule marker placement and localization device was approved for Class III Medical Device Registration. Its Lung Nodule Sphere Resection System was granted Breakthrough Medical Device designation by the U.S. FDA.

— Medical Diagnosis:

- 13 cytokine panel products were approved for Class II Medical Device Registration, with research collaborations established with more than 30 tertiary hospitals nationwide.

- The self-developed respiratory triple-test domiciliary self-test product was approved for launch in Chinese mainland. It is the first and currently the only approved one-card triple-test domiciliary self-test product in Chinese mainland covering antigens of three high-prevalence respiratory viruses of COVID-19, influenza A and influenza B.

3. Healthcare Services

During the Reporting Period, revenue from the healthcare services segment amounted to RMB7,367 million, unchanged from the same period of the previous year. Segment results amounted to RMB18 million, representing a year-on-year decrease of RMB53 million. Segment profit amounted to RMB–216 million, representing a year-on-year decrease in loss of RMB99 million. The year-on-year decrease in segment results was mainly due to the relatively high fixed costs of the rehabilitation specialty chain business as it was still in its ramp-up phase.

Healthcare services business focusing on integrated medical institution

The healthcare services business, mainly consisting of integrated medical institutions, centers on the Greater Bay Area and builds an integrated online-and-offline healthcare service platform with featured specialties such as oncology and orthopedics. With years of profound cultivation, Fosun Health, a subsidiary, continued to enhance the level of medical disciplines, promoted the integrated operation of medical institutions as well as the integration of online and offline services, extended its reach to primary-level healthcare, provided multi-level and differentiated services, and innovatively built a full-lifecycle health management system. During the Reporting Period, the continued focus on core operations resulted in the improved core profitability.

— *Layout and development: focusing on high-quality medical care and further advancing integration practices*

- Extensive and professional medical network: centered on the Greater Bay Area and the Yangtze River Delta, medical institutions including general hospitals, specialized hospitals, clinics, and third-party clinical laboratories are operated in the Beijing-Tianjin-Hebei region, Central China and the Sichuan-Chongqing area. As at the end of the Reporting Period, Fosun Health controlled 19 general hospitals, specialized hospitals, clinics and independent testing institutions. The medical institutions controlled by Fosun Health had a total of 6,500 authorized beds, and held 9 internet hospital licenses.

- Continued investment in key specialties: the core of medical care has been continuously enhanced through the construction of discipline systems, enhancement of diagnosis and treatment capabilities, and the introduction and iteration of innovative medical technologies. During the Reporting Period, 8 new key specialties at the provincial/municipal level were set up by the relevant medical institutions[3], bringing the total number to 76 in aggregate.

- Deepening the integration practice of "Chief Hospital in the Greater Bay Area": advantages of group operation were leveraged in terms of regional medical resources coordination, medical network expansion, discipline construction, financial management, smart healthcare, brand strategy and supply chain efficiency, and regional integration operation strategy was deepened. Several medical institutions are designated hospitals for the "Hong Kong and Macau Medicine and Equipment Connect", based on which nearly 60 approvals for innovative international drugs and medical devices were introduced, covering major disease areas such as coronary heart disease, atrial fibrillation, osteoporosis, cartilage regeneration, breast tumors and severe hearing loss, serving over a thousand patients cumulatively.

— *Innovation and development: deepening innovative business models and expanding market opportunities for strategic businesses*

- Accelerating the international strategic layout: during the Reporting Period, Fosun Health continued to advance its internationalization. Addressing the medical needs of South Asia, Southeast Asia and the Middle East, it has actively expanded into markets such as Indonesia, Bangladesh, Mongolia, Hong Kong and Macau regions, and built an open, stable and professional international medical collaboration network.

[3] Includes member hospitals affiliated with Huaihai Hospital, an associated company.

- Promoting two-way empowerment between healthcare and insurance: during the Reporting Period, Fosun Health continued to improve the commercial insurance operation system. Leveraging the specialty departments and cutting-edge medical technologies of core medical centers and regional medical associations, Fosun Health created diversified and customized innovative insurance payment solutions. In addition, Fosun Health continuously deepened the specialization in specific diseases, and integrated commercial insurance and medical services. As at the end of the Reporting Period, the medical institutions controlled by Fosun Health have contracted with over 55 domestic and overseas insurance institutions, and it has made significant progress in expanding its commercial insurance network and service coverage through entering the Hong Kong insurance market.

Rehabilitation specialty chain business

The rehabilitation specialty chain business promotes high-quality and steady development through the "multiple locations in one city" investment and operation management model. During the Reporting Period, the Group continued to deepen its strategic deployment of the rehabilitation specialty business by accelerating the establishment and commencement of operations in core markets such as municipalities directly under the central government, new first-tier cities and provincial capitals through its subsidiary Jianjia Healthcare.

— *Scale expansion and asset optimization: steadily enhancing network coverage and asset quality*

- Medical network layout: as at the end of the Reporting Period, Jianjia Healthcare operated a total of 24 rehabilitation hospitals (including 23 subsidiary hospitals and 1 hospital under its entrusted management), with 1 hospital under construction. The national-scale chain network was further consolidated.

- Lean operation management: the standardized operation system for rehabilitation hospitals was iterated in parallel. Refined management was deepened in key areas such as project preparation, operation, discipline development, and expansion in low-capital assets, continuously improving the quality of rehabilitation and services.

- Streamlined asset structure: the Group resolutely focused on core rehabilitation business, accelerated the divestment of non-core assets, and achieved an optimized and asset-light structure.

— *Specialty capability building: creating a core subspecialty matrix and a hub for cutting-edge technologies*

- Expansion of the discipline system: on the basis of improving standardized operations, emphasis have been placed on strengthening strategic subspecialties such as neurorehabilitation, critical care rehabilitation and orthopaedic rehabilitation. Progress has been made in actively developing subspecialties with competitive advantages, including pain rehabilitation, respiratory rehabilitation and traditional Chinese medicine rehabilitation, broadening the service radius.

- Technologies and talents barriers: cutting-edge technologies and products such as intelligent rehabilitation equipment have been introduced to establish specialized rehabilitation technology bases within rehabilitation hospitals. Meanwhile, leading experts in the rehabilitation field were recruited to optimize the professional talent pipeline, consolidating the leadership advantages in the field.

— *Model innovation and industrial synergy: building an intelligent, full-cycle rehabilitation ecosystem*

- Service and payment innovation: supported by the "rehabilitation butler service", an intelligent, full-cycle service ecosystem was built relying on the "Jianjia Connect" platform. Collaboration with commercial insurance institutions was deepened to explore diversified payment solutions and enrich products under commercial insurance.

- Industry chain synergy and empowerment: strategic cooperation along the upstream and downstream of the rehabilitation industry chain was continuously deepened. Through resource sharing and complementary advantages within and outside the system, a more competitive rehabilitation industry ecosystem was constructed.

4. Pharmaceutical Distribution and Retail

During the Reporting Period, facing the profound restructuring of the industry landscape and industry pressure, Sinopharm, an associated company, recorded the operating income of RMB575,168 million and its market share continued to increase. It recorded net profit of RMB10,834 million and profit attributable to the parent company of RMB7,155 million, representing a year-on-year increase of 3.94% and 1.50%, respectively, demonstrating its business resilience and core capabilities.

During the Reporting Period, in terms of the pharmaceutical distribution segment, Sinopharm took multiple measures to consolidate its market leading edge by precisely implementing strategies around expansion of market share. On the one hand, Sinopharm continued to optimize the structure of categories, stabilize the market share of centralized procurement varieties and national negotiated varieties, and enhance the coverage capacities of core areas and key terminals. On the other hand, it implemented classified management for key hospital customers, optimized the resource allocation and the service quality, effectively enhanced customer stickiness. In 2025, the pharmaceutical distribution segment recorded revenue of RMB435,392 million, showing a notable sequential upward trend in the second half year.

During the Reporting Period, in terms of medical device distribution segment, Sinopharm proactively responded to the needs of industry policies and regulatory changes, and expanded high value-added services through the operation strategies for optimizing business structure, strengthening compliance management and control and focusing on high-quality businesses, thus consolidating the development foundation of the segment. The medical device distribution segment recorded annual revenue of RMB115,538 million.

During the Reporting Period, the retail pharmacy segment recorded revenue of RMB38,383 million and achieved a historic strategic turnaround. In 2025, Sinopharm actively responded to the requirements of industry policies, gave full play to its strong advantages of lean management and compliant operation, and thoroughly advanced the "wholesale retail integration" and the "dual-brand" collaborative strategy by taking the strengthening of service capabilities and integrated operation as the starting point to promote the high-quality development of the retail pharmacy business. As at the end of the Reporting Period, the total number of Sinopharm's retail pharmacy stores was 8,221, in which the number of the stores of specialty pharmacy was 1,461.

III. CORE COMPETENCE ANALYSIS

1. Advantages in R&D and Innovation: An Open-ended and Systematic Global Innovation Sourcing Capability

Focusing on unmet clinical needs, the Group continues to concentrate on core therapeutic areas and strengthen its layout in cutting-edge technologies, accelerating the implementation of innovation outcomes and realizing global value.

— Focus on core tracks: continuously focusing on three major areas including oncology, autoimmune diseases and neurodegenerative diseases.

— Deployment in cutting-edge technologies: strengthening the core technology platforms of antibodies and ADC, small molecules and cell therapy, while deploying in cutting-edge technologies such as radiopharmaceuticals and small nucleic acids.

— Diversified cooperation models: integrating models such as independent R&D, licensing-in and industrial fund incubation to form a mode of "independent R&D + external innovation", while balancing self-control of core pipelines with early deployment of groundbreaking advancements, so as to build a highly resilient innovation ecosystem.

— Global transformation capability: leveraging proficiency in simultaneous clinical and registration pathways in China, the U.S., Europe, Australia, etc., to accelerate the global launch of innovation outcomes and maximize product lifecycle value.

2. Advantages in Internationalized Production and Operations: A Flexible Supply Chain Integrating APIs and Preparations

The Group's manufacturing advantages have been upgraded into a strength integrating internationally compliant quality systems, vertically integrated cost advantages, and global production capacity.

— International quality certifications: a total of 17 workshops/production lines in Chinese mainland in the pharmaceutical manufacturing segment have passed GMP certifications in major regulatory markets such as the U.S., EU and WHO. Multiple injectable production lines of Gland Pharma have passed certifications from the Europe, U.S., Japan, Australia, etc..

— Vertical integration: the established medicines manufacturing and supply business has built two preparations centers and three APIs bases domestically, covering full industry chain from intermediates to preparations, demonstrating triple core values of controllable costs, R&D synergy and quality traceability.

— Global production capacity: biologics manufacturing bases have normalized supply to the global market, with distribution covering markets including China, Europe, Latin America, Southeast Asia, India. As at the end of the Reporting Period, the total built production capacity was 84,000 liters, of which 48,000 liters were in commercial operation. Gland Pharma prossesses global supply capabilities as well. In addition, in emerging markets such as Africa and the Middle East, the Group is actively advancing local production capacity deployment. During the Reporting Period, the Phase I project of the Cote d'Ivoire park obtained local production license.

3. Advantages in Commercialization System: Globally Integrated Value Transformation Capability

The Group's core commercialization capability lies in efficiently transforming clinical value into global commercial value through the "Pharmaceuticals + Medical Devices" dual-engine drive and the deep integration of globalization and localization.

— Global marketing network:

  - Pharmaceutical field: leveraging overseas subsidiaries in the U.S., Europe, Africa, etc., the Group has established local academic promotion and market access capabilities, achieving an upgrade from "product exporting" to "capability exporting", with innovative products on sale in nearly 90 countries and regions around the world.

  - Medical devices field: Sisram Medical, a subsidiary, combines "digitalization + direct sales and distribution", and has established 12 direct-sales offices globally with marketing network spanning over 110 countries and regions, securing a global leadership position in the medical aesthetics field; Breas has consolidated its international competitiveness in the respiratory therapy field.

— Integrated diagnosis and therapy: upgrading from "single product sales" to "comprehensive solutions", the Group has progressively built an ecological closed loop of "diagnosis + treatment" in the field of neurodegenerative diseases, and continuously advanced the integration of diagnosis and therapy in the oncology field.

— Product portfolio optimization: continuously increasing the sales proportion of high-value Innovative Drugs.

IV. MAJOR OPERATIONS DURING THE REPORTING PERIOD

(I) Analysis on Principal Operations

1. Analysis of Changes in Relevant Items of Income Statement and Statement of Cash Flows

Unit: million Currency: RMB

Items	Amount for the year	Amount for last year	Year-on-year change (%)	Reasons
Revenue	41,498	40,910	1.44	—
Cost of sales	20,800	21,366	–2.65	—
Selling and distribution expenses	9,193	8,680	5.91	—
Administrative expenses	4,765	4,440	7.32	—
Finance costs	1,265	1,432	–11.66	—
R&D expenses	4,013	3,644	10.13	—
Other gains	1,993	1,010	97.33	*Note 1*
Income tax expense	864	657	31.51	*Note 2*
Net cash flow generated from operating activities	5,213	4,477	16.45	—
Net cash flow used in investing activities	–2,146	–3,613	40.6	*Note 3*
Net cash flow used in financing activities	–3,244	–1,003	–223.43	*Note 4*

Note 1: Mainly due to the combined effect of gains arising from the disposal of non-core assets and gains from fair value changes of financial assets held during the Reporting Period, as well as gains recognized from the disposal of fixed assets in the previous year.

Note 2: Mainly due to the impact of income tax expenses from the disposal of non-core assets during the Reporting Period.

Note 3: Mainly due to the combined impact of cash proceeds from the disposal of non-core assets and new other investments made during the Reporting period.

Note 4: Mainly due to the impact of increasing the shareholding in the Company's controlled subsidiary, Shanghai Henlius, by 3.87% and the expenses on implementation of the Company's A Share and H Share repurchase plans during the Reporting Period.

2. Analysis of Revenue and Cost of Sales

(1) Principal Operations by Segments, Products, Geographical Locations

Unit: million Currency: RMB

Principal Operations by Segments

By segments	Revenue	Cost of sales	Gross profit margin (%)	Year-on-year change in revenue (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross margin
Pharmaceutical manufacturing	29,683	12,711	57.18	3.15	–3.84	increase of 3.11 percentage points
Medical devices and medical diagnosis	4,318	2,141	50.42	–0.05	–0.79	increase of 0.37 percentage point
Healthcare services	7,367	5,846	20.65	–3.60	–1.08	decrease of 2.01 percentage points

Principal Operations by Products

By products	Revenue	Cost of sales	Gross profit margin (%)	Year-on-year change in revenue (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross margin
Major products of tumor and immune modulation[(Note)]	9,708	2,277	76.55	20.08	31.17	decrease of 1.98 percentage points
Major products of anti-infection	2,950	1,145	61.18	–5.63	14.17	decrease of 6.74 percentage points
Major products of metabolism and alimentary system	2,599	695	73.27	–6.95	0.32	decrease of 1.93 percentage points
Major products of cardiovascular system	1,958	856	56.28	2.42	–27.76	increase of 18.26 percentage points
Major products of central nervous system	1,001	154	84.60	–8.98	–2.84	decrease of 0.97 percentage point
Major products of APIs and intermediate products	1,115	844	24.31	0.82	4.18	decrease of 2.44 percentage points

Principal Operations by Geographical Locations

By geographical locations	Revenue	Cost of sales	Gross profit margin (%)	Year-on-year change in revenue (%)	Year-on-year change in cost of sales (%)	Year-on-year change in gross margin
Chinese mainland	28,521	13,763	51.74	–3.69	–4.75	increase of 0.54 percentage point
Regions outside Chinese mainland and other countries	12,977	7,037	45.77	14.87	1.75	increase of 6.99 percentage points

Note: The year-on-year increase in cost of sales of this therapeutic area was primarily attributable to the combined effect of the increase in sales revenue and change in product structure.

(2) Analysis of Production and sales volume

Major products	Unit	Production volume	Sales volume	Inventory	Year-on-year change in production volume (%)	Year-on-year change in sales volume (%)	Year-on-year change in inventory (%)
Serplulimab injection (trade name in Chinese mainland: Han Si Zhuang) (converted as 100mg/vial)	'0,000 vials	97	48	31	–18%	63%	10%
Trastuzumab injection (trade name in Chinese mainland: Han Qu You) (converted as 150mg/vial)	'0,000 vials	191	243	11	–33%	7%	–83%
Rituximab injection (trade name in Chinese mainland: Han Li Kang) (converted as 100mg/vial)	'0,000 vials	191	209	23	9%	38%	–49%

Note: During the Reporting Period, the top five products are: Serplulimab injection (trade name in Chinese mainland: Han Si Zhuang), Trastuzumab injection (trade name in Chinese mainland: Han Qu You), Rituximab injection (trade name in Chinese mainland: Han Li Kang), heparin series preparations and antimalarial series such as artesunate. In particular, heparin series preparations and antimalarial series such as artesunate involve products in multiple dosage forms, and it is impossible to convert products of different dosage forms into corresponding production and sales volume according to the same standard.

(3) Analysis of Cost

Unit: million Currency: RMB

By Segments	Cost	Amount for the year	Percentage of the total cost for the year (%)	Amount for the last year	Percentage of the total cost for the last year (%)	Ratio of change for the year as compared with the last year (%)
		By Segments				
Pharmaceutical manufacturing	Cost of products	12,711	61.11	13,218	61.87	–3.84
Medical devices and medical diagnosis	Cost of products and goods	2,141	10.29	2,158	10.10	–0.79
Healthcare services	Cost of services	5,846	28.10	5,910	27.66	–1.08

Unit: million Currency: RMB

By Products	Cost	Amount for the year	Percentage of the total cost for the year (%)	Amount for the last year	Percentage of the total cost for the last year (%)	Ratio of change for the year as compared with the last year (%)
		By Products				
Major products of tumor and immune modulation[(Note)]	Cost of products	2,277	17.91	1,736	13.13	31.16
Major products of anti-infection	Cost of products	1,145	9.01	1,003	7.59	14.16
Major products of metabolism and alimentary system	Cost of products	695	5.47	693	5.24	0.29
Major products of cardiovascular system	Cost of products	856	6.73	1,185	8.97	–27.76
Major products of central nervous system	Cost of products	154	1.21	159	1.20	–3.14
Major products of APIs and intermediate products	Cost of products	844	6.64	810	6.13	4.20

Note: The year-on-year increase in cost of sales in this therapeutic area was primarily due to combined effect of the increase in sale revenue and change in product structure.

(4) Major Customers and Suppliers

Sales to the top 5 customers of the Group amounted to RMB11,424 million in aggregate, accounting for 27.42% of the total sales for the year.

Purchases from the top 5 suppliers of the Group amounted to RMB1,160 million in aggregate, accounting for 7.90% of the total purchases for the year.

3. Expenses

During the Reporting Period, selling and distribution expense of the Group amounted to RMB9,193 million; the selling and distribution expense ratio was 22.15%, remaining largely unchanged as compared to the last year; and gross profit margin less selling and distribution expenses ratio was 27.73%, representing a year-on-year increase of 1.18 percentage points, primarily due to change in revenue structure.

During the Reporting Period, the administrative expense of the Group amounted to RMB4,765 million, representing a year-on-year increase of 7.32%, mainly due to the increase in equity incentive compensation expenses and the acquisition of a new subsidiary.

During the Reporting Period, the finance costs of the Group amounted to RMB1,265 million, representing a year-on-year decrease of 11.66%, mainly due to the optimisation of the interest-bearing liabilities scale and structure and the increase in lease liabilities associated with long-term leases.

4. R&D Expenditure

Accounting treatment of R&D expenditure

The Group divides expenses for internal R&D projects into expenses in the research phase and expenses in the development phase. Expenses in the research phase are recognized in profit or loss for the period as incurred. Expenses in the development phase may only be capitalized if the following conditions are satisfied simultaneously: the completion of such intangible assets for use or sale is technically feasible; the Company has the intention to use or sell the intangible assets upon completion; the way in which the intangible assets bring economic benefits shows that there exists a consumption market for the products with use of these intangible assets or the intangible assets themselves, or that they are useful in case of internal utilization; the Company has sufficient technological, financial and other resources to complete the development of the intangible assets and the ability to make them available for use or sale; and the expenses attributable to such intangible assets can be measured reliably at the development stage. Development expenses not satisfying all of the above conditions are recognized in profit or loss of the period as incurred. Combining the characteristics of the R&D process of the pharmaceutical industry and of the Group itself, the Group's expenses for its R&D projects may only be accounted for as capitalized R&D expenses if they are incurred after relevant approvals or certificates (Approval for Clinical Trial and Pharmaceutical Product Registration Approval Document) based on Measures on the Registration Administration of Medicines (《藥品註冊管理辦法》) issued by NMPA or approval from international drug regulatory authority on the regulatory market) are obtained, and if the present value of the Company's future cash flow or realizable value resulting from the evaluated project results are higher than the book value. The remainder of the R&D expenses would be expensed.

R&D Expenditure

Unit: million Currency: RMB

R&D expenditure expensed for the year	4,013
R&D expenditure capitalized for the year	1,900
Total R&D expenditure	5,913
Total R&D expenditure as a percentage of revenue (%)	14.19
Percentage of R&D expenditure capitalized (%)	32.13

Descriptions

During the Reporting Period, the Group continued to optimize its innovation and R&D system, concentrated on advantageous pipelines and enhanced efficiency by integrating its R&D system. It also accelerated the commercialization of innovative technologies and products by adopting a diversified and multi-tiered R&D model, which includes independent R&D, co-development, licensed-in projects, fund incubation and industrial investment. In 2025, the total R&D expenditure of the Group amounted to RMB5,913 million, representing a year-on-year increase of 6.46%. The R&D expenditure in the pharmaceutical manufacturing segment amounted to RMB5,361 million, representing a year-on-year increase of 9.19%. In particular, the total expenditure in R&D projects related to Innovative Drugs amounted to RMB4,303 million, representing a year-on-year increase of approximately 15.98%, which accounted for 72.77% of the total R&D expenditure, representing a year-on-year increase of 5.97 percentage points, and accounted for 80.26% of the R&D expenditure in the pharmaceutical manufacturing segment, representing a year-on-year increase of 4.70 percentage points.

5. Cash Flows

Unit: million Currency: RMB

Items	Amount for the year	Amount for the last year	Ratio of change (%)	Reasons
Net cash flow used in investing activities	–2,146	–3,613	40.60	Mainly due to the combined impact of cash proceeds from the disposal of non-core assets and new other investments made during the Reporting period.
Net cash flow used in financing activities	–3,244	–1,003	–223.43	Mainly due to the impact of increasing the shareholding in the subsidiary, Shanghai Henlius, by 3.87%, as well as the expenditure on the Company's A Share and H Share repurchase plans during the Reporting Period.

(II) Assets and liabilities analysis

As at 31 December 2025, the ratio of total interest-bearing bank and other borrowings over total assets was 27.46%, as compared with 28.16% as at 31 December 2024, which was calculated as total interest-bearing bank and other borrowings divided by total assets.

Assets and liabilities

Unit: million Currency: RMB

Items	Amount as at the end of the year	Percentage of the amount as at the end of the year to the total asset (%)	Amount as at the end of last year	Percentage of the amount as at the end of last year to the total assets (%)	Ratio of change for the amount as at the end of the year as compared with the amount as at the end of last year (%)	Reasons
Assets held for sale	–	–	75	0.06%	–100	*Note 1*
Investments in joint ventures	442	0.37	21	0.02%	2,005	*Note 2*
Interest-bearing bank and other borrowings-current	21,092	17.57	22,620	19.26	–6.76	*Note 3*
Interest-bearing bank and other borrowings-non-current	11,862	9.88	10,444	8.89	13.58	*Note 4*
Other long-term liabilities	1,874	1.56	2,751	2.34	–31.88	*Note 5*

Note 1: Mainly due to the completion of disposal of assets classified as held for sale.

Note 2: Mainly due to the additional fund investment.

Note 3: Mainly due to the increase in long-term borrowings due within one year and bonds payable due within one year.

Note 4: Mainly due to the new issuance of the medium-term note "25 Fosun Pharma MTN001" with a scale of RMB500 million and Scientific and Technological Innovation Bonds "25 Fosun Pharma MTN002" with a scale of RMB1 billion during the Reporting Period.

Note 5: Mainly due to the settlement of the subsidiary's long-term employee benefit plan during the Reporting Period.

As at the end of the Reporting Period, the Group's total assets amounted to RMB120,016 million, representing an increase of 2.21% compared to the beginning of the year. Among these, current assets amounted to RMB33,821 million, a decrease of 1.73% compared to the beginning of the year, while non-current assets amounted to RMB86,195 million, an increase of 3.94% compared to the beginning of the year. Among these, overseas assets denominated in RMB amounted to RMB23,707 million, accounting for 19.75% of the total assets.

The Group's principal overseas assets include Gland Pharma, an injectable pharmaceutical R&D and manufacturing enterprise in India; Sisram, a medical aesthetics product R&D and manufacturing platform in Israel; Tridem Pharma, a pharmaceutical distribution company deeply engaged in the African market; and Fosun Pharma USA, an innovative R&D and commercialization platform in the United States.

Gland Pharma is the first injection manufacturer to obtain approval from the U.S. FDA in India. Its production facilities have secured GMP certifications from mainstream regulatory markets worldwide, and its business revenue primarily comes from the U.S.. Gland Pharma is listed on both the NSE and the BSE. It has established localized manufacturing capabilities in Europe through its subsidiary, Cenexi. Sisram Medical is the first company in Israel listed on the Main Board of the Hong Kong Stock Exchange. It is primarily engaged in the field of medical aesthetic products, with its medical aesthetic device technologies ranking among the global leaders. Tridem Pharma has established a marketing network covering over 40 countries and regions in the African pharmaceutical market. Fosun Pharma USA is a wholly-owned subsidiary established by the Company in the U.S.. It has developed generic drug commercialization capabilities in the U.S. and is currently further expanding its registration and commercialization capabilities for innovative drugs in the U.S..

(III) Analysis on Major Subsidiaries and Investees

1. Operation and Results of Subsidiaries of the Group

(1) Operation and Results of Major Subsidiaries

Unit: million Currency: RMB

Name of subsidiary	Major business	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Shanghai Henlius *(Note 1)*	Pharmaceutical R&D and manufacturing	543	12,361	3,960	6,667	819	827
Yao Pharma	Pharmaceutical R&D and manufacturing	197	9,816	7,804	5,206	1,618	1,356
Gland Pharma *(Note 2)*	Pharmaceutical R&D and manufacturing	N/A	10,394	8,486	5,014	805	540
Fosun Wanbang	Pharmaceutical R&D and manufacturing	480	8,501	5,002	7,568	551	443

Note: The above figures include appraisal appreciation and amortisation of appraisal appreciation.

Note 1: The data of Shanghai Henlius is prepared in accordance with International Financial Reporting Standards.

Note 2: The data for Gland Pharma is prepared in accordance with Indian Generally Accepted Accounting Principles.

(2) Status of Other Major Subsidiaries

Unit: million Currency: RMB

Name of subsidiary	Major business	Registered capital	Total assets	Net assets	Revenue	Net profit
Sisram Medical[(Note 1)]	Medical devices R&D and manufacturing	N/A	4,620	3,540	2,608	179
Foshan Fosun Chancheng Hospital[(Note 2)]	Healthcare services	50	4,068	2,124	2,468	112

Note 1: The data for Sisram Medical is prepared in accordance with International Financial Reporting Standards.

Note 2: The data for Foshan Fosun Chancheng Hospital included appreciation of asset evaluation and amortization of appreciation of asset evaluation.

2. Operation and Results of Investee Companies whose Profit and Investment Income Accounts More Than 10% of the Group's Net Profit

Unit: million Currency: RMB

Name of company	Principal activities	Registered capital	Total assets	Net assets	Revenue	Operating profit	Net profit
Sinopharm Industrial	Pharmaceutical investment	100	390,304	134,445	575,168	14,753	10,819

3. Disposal and Acquisition of Subsidiaries during the Reporting Period

(1) Disposal of Subsidiaries during the Reporting Period

Name	Disposed through	Date of disposal
Shanghai Zegu Hospital Investment Management Co., Ltd.* (上海澤顧醫院投資管理有限公司)	Equity transfer	10 April 2025
Wuxi Sinopharm Health Care Service Co., Ltd.* (無錫國藥康養服務有限公司)	Equity transfer	14 April 2025
Shanghai Fujian Equity Investment Fund Management Co., Ltd.* (上海復健股權投資基金管理有限公司)	Equity transfer	18 April 2025
Sinopharm Health Care Industry (Shanghai) Co., Ltd.* (國藥康養實業(上海)有限公司)	Equity transfer	18 April 2025
Hainan Hongxiang Qiyu Pharmaceutical Health Technology Co., Ltd.* (海南紅詳旗譽醫藥健康科技有限公司)	Equity transfer	16 October 2025
Shandong Wanbang Sainuokang Biochemical Pharmaceutical Co., Ltd.* (山東萬邦賽諾康生化製藥股份有限公司)	Equity transfer	19 November 2025
Suzhou Fosun Medical Technology Co., Ltd.* (蘇州復星醫療技術有限公司)	Equity transfer	9 December 2025

(2) No material acquisition of Subsidiaries during the Reporting Period.

(IV) Employees and Remuneration Policies

As at the end of the Reporting Period, the Group had a total of 40,603 employees. The employee's remuneration policies of the Group are formulated on the basis of the performance, work experience and salary level prevailing in the external market.

THE BOARD'S DISCUSSION AND ANALYSIS ON FUTURE DEVELOPMENT OF THE GROUP

I. Industry Landscape and Trends

With the accelerating pace of population aging and the continuous advancement of medical technologies, the demand for the diagnosis and therapy of cancer, immune system disorders and chronic diseases has surged dramatically, yet there remains a vast unmet need in the field of clinical therapy. In terms of industry policies, the country has listed biomedicine as a strategic emerging industry, set high-value innovation as the goal to break through "bottleneck" technologies and optimize the industrial structure, so as to achieve the overall transformation of the local pharmaceutical industry while promoting high-quality development. In terms of payment policies, the combination of policies has provided a solid guarantee for the accessibility and affordability of innovative drugs and medical devices. The National Medical Insurance Drugs Catalogue, adhering to the "input-output" principle for dynamic adjustment, is further expanded. The launch of the first edition of Commercial Insurance Innovative Drugs Catalogue has established a multi-layered payment security system, accelerating the market access of innovative products. The policies continue to support the long-term healthy and steady development of innovative and large-scale domestic pharmaceutical enterprises with international presence.

As the industry has become more regulated, standardized and professional in the course of development, a further rise was seen in level of concentration of the industry. The continuous upgrade of the industry unavoidably presents pressure and challenges in terms of operations in the transformation process to local enterprises in the short term. Nevertheless, such circumstances will benefit the rapid development of innovative leading enterprises in the long term. Meanwhile, uncertainties lurk within the global economy environment. The international expansion of domestic enterprises will be subject to various challenges, but enterprises with robust independent innovation capabilities will continue to enjoy the room for international development.

II. Corporate Development Strategies

The Group will commit to its mission of improving human health, adhere to its corporate philosophy of "Innovation for Good Health", and endeavor to capture the momentum presented by the broad pharmaceutical market in China as well as the rapid growth in mainstream markets such as Europe and the U.S. and certain emerging markets. The Group adheres to the strategy of "Innovation-driven, Deep Internationalization, Fully Embracing AI", so as to further enhance the establishment of core competence to improve the operating results. In terms of innovation and internationalization, the Group will continuously enhance its independent R&D capability and continue to achieve the transformation and practice of global innovative advanced technologies by adopting license-in projects, industry funds and other models so as to facilitate the innovation and transformation and propel the international expansion of the Group. With respect to production and operation, the Group will strengthen the upgrading and optimization of production and manufacturing system, continue to improve supply chain management, promote the consolidation of production resources and realization of star production lines for products within the Group. By taking smart factories as standard, the Group will build new manufacturing bases for preparations and APIs, so as to secure production capacity for newly launched products and key products. At the same time, the Group will continue to promote digitalisation and AI transformation and upgrade.

III. Operation Plan

In 2026, the Group will remain its focus on clinical needs, target the global market, uphold innovation-driven development, accelerate the internationalization, and actively build an AI+ healthcare ecosystem. In terms of innovative R&D, the Group will focus on core business segments, vigorously develop strategic products, and enhance R&D efficiency while strengthening its technological platform capabilities. In terms of global operations, the Group will build a global commercialization system, optimize the layout of the global supply chain, and actively promote the internal output and external introduction of high-value pipelines. In addition, the Group will leverage AI tools to enhance R&D efficiency and operational quality. In order to achieve the above operating objectives, specific strategies and actions include:

Pharmaceutical Manufacturing

In terms of the innovative drug business, the Group will continue to focus on core therapeutic areas such as oncology (solid tumors and hematologic tumors), immunology, inflammation and neurodegenerative diseases, and enrich product portfolio while expanding into chronic diseases (cardiovascular, renal and metabolic diseases) and rare diseases. While consolidating the core technology platforms of antibodies and ADC, small molecules and cell therapy, the Group will deploy cutting-edge technologies such as radiopharmaceuticals and small nucleic acids to capture global innovation opportunities.

In terms of the established medicines manufacturing and supply business, with respect to R&D, the Group will establish R&D projects for difficult generic drugs and differentiated products as well as improved new drugs, etc., efficiently promote the development of pipeline products, and make deployment in high-end/complex preparations such as in situ gels, minitablets, oral fast dissolving film, inhalation and sustained and controlled release, to form a differentiated R&D layout. In terms of operation, the Group will consolidate and plan the industrial layout, strengthen the integration of APIs and preparations, deploy characteristic APIs and emerging technology platforms, so as to build a competitive barrier of "technology-quality-cost". Meanwhile, it will continue to strengthen the construction of international registration and marketing system of APIs, comprehensively improve operational efficiency, develop leadership in terms of cost, and focus on promoting the integration and international collaboration of the industry.

In terms of the vaccines business, the Group will continue to enrich the product portfolio of bacterial vaccines, viral vaccines and emerging vaccine technology platforms. The Group will actively promote the clinical trials of self-developed 13-valent pneumococcal conjugate vaccine (multivalent combinations), rabies vaccine (human diploid cells) for human use (freeze dried), 23-valent pneumococcal polysaccharide vaccine and 24-valent pneumococcal polysaccharide conjugate vaccine. The Group will steadily advance the R&D of strategic vaccine products in its pipeline.

Medical Devices and Medical Diagnosis

In 2026, with emphasis on two themes of innovation and deepening internationalization, the medical devices and medical diagnosis business will focus on accelerating the breakthrough in industry concentration with efficient asset operation and profitability enhancement as two major objectives. Through efficient integration, the Group will advance divisional streamlined transformation through optimization of assets structure and asset allocation, so as to boost operational efficiency and profitability. The Group will enhance value-based marketing, comprehensively strengthen marketing, medical and market access capabilities, and accelerate value conversion from product to market. Meanwhile, the Group will deepen global operations, improve operational quality of overseas enterprises, and advance the two-way empowerment between domestic enterprises' overseas investment and localization of overseas enterprises, so as to establish a globally coordinated framework.

Healthcare Services

In 2026, based on the continuous consolidation on its existing advantageous areas, the healthcare services business with focus on integrated medical institutions, will concentrate on providing high-quality medical services, continuously enhance clinical capabilities, and drive innovation and implementation of medical technologies. The Group will develop proactive health management services and improve product-based healthcare systems. The Group will also explore international market growth opportunities and progressively advance regional expansion. Meanwhile, the Group will deepen collaborations with commercial insurance companies to expand incremental payment models, continue to advance integrated operations, and enhance smart healthcare services with online and offline integration powered by digital platforms and AI technologies.

In 2026, the rehabilitation specialty business will further upgrade from "rapid nationwide expansion" to "high quality sustainable development". Based on the deepening of the "asset-light expansion" model and centered on the development direction of "Standardization, Digitalization and Internationalization", the Group will comprehensively promote the construction of a rehabilitation assessment system and the implementation of demonstration bases for the "Top 10 Specialty Rehabilitation Technologies". The Group will continue to advance the application of cutting-edge technologies such as AI large-scale models, rehabilitation big data and intelligent rehabilitation equipment in rehabilitation hospitals. Leveraging "services + products" synergies and cooperation with commercial insurance institutions, the Group will innovate the system of characteristic medical services and self-paid products, and continuously enhance the brand reputation and national influence of Jianjia Healthcare.

IV. Potential Risks

(I) Industry policies adjustments

The medical healthcare industry, as the major area to develop new quality productive forces, is one of the industries most affected by national policies. With the in-depth advancement of the reform of "Three Medical Linkages", namely medical services, medical insurance and medical healthcare, profound changes are taking place in the industry landscape, leading to the innovative transformation, industry consolidation and transformation in business models becoming a matter of great urgency. In 2025, the launch of the first edition of Commercial Insurance Innovative Drugs Catalogue has established a multi-layered payment security system, sending a strong signal of supporting high-value innovation and rejecting low-level homogeneous competition. Meanwhile, the centralized procurement of drugs and high-value medical consumables in bulk has been regularly undertaken in line with regulations, which continuously squeezed out price bubbles and reduced the burden on the public, while driving the industry to continuously shift towards high-quality innovation and clinical value-oriented development.

In the field of medical devices and medical diagnosis, the policies encourage the integration of the enterprise's resources and advantage complementation, which intensifies the support for the innovation of high-end medical devices and encourages enterprises to achieve technological breakthroughs, and continuously improve the technology levels of clinical products. Equipment upgrade, centralized procurement of medical consumables in bulk and localized production will also bring about a drastic change to the industry.

In the field of healthcare services, socially organized medical institutions have to conduct more strategic and diversified deliberations on how to strengthen collaboration with dominant public healthcare providers while pursuing differentiated development patterns and collaborative expansion. Meanwhile, with the refinement of internet healthcare regulations, medical services operations have transitioned from the original offline-only model to a new phase of integrated online and offline development. The deep integration and innovative applications of AI in the medical field are rapidly driving the medical services industry to upgrade towards high-quality and refined development.

In this regard, the Group will closely monitor and analyze the policy trends of related industries, keep abreast of the development trends of the industry and continuously improve business management mechanisms, so as to fully reduce the business risks caused by policy changes.

(II) Market competition risks

With the ongoing normalization of the centralized procurement of drugs and medical consumables, coupled with continued policy support for innovative drugs, the pharmaceutical industry is undergoing profound changes. On the one hand, the innovative drug sector faces risks arising from changes in domestic policies and market conditions; on the other hand, it is confronted with intense competition from both multinational and domestic innovative drug companies. In addition, any mismatch between drug R&D and clinical needs, or sluggish sales following market launch due to intensified competition or other factors, may affect the recovery of initial investment and the realization of economic benefits, thereby adversely impacting the profitability and development of the Group. Meanwhile, the implementation of policies such as the centralized procurement of biosimilars also presents both challenges and opportunities to enterprises. While certain biosimilars may expand their market share through centralized procurement, they may also be subject to continuous price reduction pressure.

With the deepening reform of the medical system, the National Healthcare Security Administration has initiated a comprehensive governance of drug and consumable prices, and extended it to retail terminals. Meanwhile, it increased the reform efforts in healthcare payment based on Diagnosis Related Groups (DRG) and Diagnosis Intervention Packet (DIP), aiming to further optimize and reshape medical practices.

In addition, the competition for generic drugs in the overseas markets, mainly in the U.S., has been intense and price pressure has further increased. At the same time, the drug regulatory agencies are imposing increasingly stringent requirements on production quality. These factors constitute unavoidable risks during the deepening of internationalization. In emerging markets such as Africa, Southeast Asia, Latin America and Middle East, more generic drugs companies have joined the competition, resulting in intensified price pressure on government tenders, as well as increasing risks of competition.

In this regard, the Group will continuously track the changes in development trend of the industry and policy, insist on innovative R&D, enrich product pipelines, optimize product structure, and enhance the R&D efficiency. At the same time, the Group will continuously enhance the benefits from economies of scale in production and operations, and proactively improve quality and increase productivity. In terms of marketing, the Group will increase efforts in market development and enhance the marketability of products, so as to further expand market coverage.

(III) Business and operating risks

1. R&D risks of drugs

Drugs must undergo processes ranging from preclinical studies, clinical trials, application for registration and approval for production from the R&D stage to marketing stage, and R&D of drug is characterized by large investment, long cycles, high risks, etc. and is subject to various unpredictable factors. In addition, if the R&D of drugs does not match future market demand, or if the sales of the drugs are not sufficient due to intensified competition and other factors, the recovery of the initial investment and the realization of economic benefits may be affected, which will in turn adversely affect the profitability and development of the Group.

In this regard, the Group will continue to strengthen its project approval and early research capabilities, establish a lean R&D concept and process, scientifically employ Go/No-go decisions, and facilitate the continuous improvement of R&D efficiency and output with an effective reward and punishment mechanism. In addition, the Group will further strengthen its capabilities in clinical registration and two-way licensing, and accelerate the approval and launch of innovative products by developing or introducing product pipelines with high clinical value and strong innovative attributes. At the same time, leveraging models such as industry-academia-research collaboration, industrial investment and fund incubation, the Group will actively cultivate and build competitive product pipelines.

2. Quality control risks of products and services

Drugs, medical devices and diagnostic products are special commodities, and the society always pays a great deal of attention to their quality. The Group has been continuously increasing its construction of the quality management system and investment in technological upgrading. The technology and equipment standards as well as management ability of each subsidiary have been significantly improved. However, due to the long chain and many production stages for pharmaceutical products, quality issues may arise due to raw materials, production, transportation, storage, use and other matters. Meanwhile, the Group has formulated corresponding management measures and established management agencies to ensure that the procurement, inventory, preparation, and sales of pharmaceuticals, medical devices and diagnostic products comply with GMP and GSP and relevant requirements and operate in accordance with the laws. However, there may still be the possibility that the relevant operating entities will be punished for failing to strictly abide by relevant laws and regulations due to various reasons such as poor management in the actual course of operation.

The healthcare services segment may be subject to risks of medical safety incidents or disputes between doctors and patients, such as complaints and disputes between doctors and patients arising from surgical errors, clinical misdiagnosis and incidents relating to defects of treatment and diagnostic devices. In the event of serious medical safety incidents, relevant compensation and loss may be incurred by the Group, which may in turn adversely affect the operation results, brand image and market reputation of the Group's healthcare services institutions.

In this regard, the Group will continue to maintain lean operation, focus on quality and risk management throughout the life cycle of its products, practically implement quality and safety control mechanisms and pharmacovigilance mechanisms. For healthcare services, the Group will continue to strengthen the construction of disciplines and quality while pursuing business development.

3. Safety and environmental risks

Manufacturing companies are also exposed to safety and environmental risks during the operation process. In the process of production of drugs, medical devices and diagnostic products, due to the hazardous chemicals may involve in the APIs, improper operation or inadequate maintenance measures during loading, unloading, handling, storage and use may cause production safety incident. Residue, waste gas, waste liquid and other pollutants produced during the manufacturing of products or provision of healthcare services will be harmful to the surrounding environment if they are not treated properly, which in turn will affect the normal production and operation of the Group. Notwithstanding that the Group has conducted the treatment and discharge of pollutants in accordance with the applicable environmental protection laws and regulations and standards in the places where it operates, as public awareness of environmental protection continues to increase, higher environmental protection standards may be promulgated by the jurisdictions where the Group operates in the future, which could lead to a corresponding increase in the Group's environmental protection expenditures and a further rise in operating costs.

In this regard, the Group will continuously strengthen production safety management, reinforce staff training and implement relevant safety production measures to reasonably control risks. Meanwhile, the Company will attach importance and fulfill its social responsibility for environmental protection, to ensure the normal operation of environmental protection facilities and ensure that the target of emissions is met.

(IV) Management risks

1. Risks of internationalization

Geopolitical uncertainty poses risks to the international operation of the pharmaceutical and healthcare industry. The Chinese pharmaceutical and healthcare companies' international cooperation may be affected by the new pattern and new policies.

Meanwhile, during the implementation of its international development strategy, the Group may be affected by a complex and volatile international environment. Sudden changes in international geopolitical conflicts and regional market conditions may result in adjustments to tariff rates in certain countries or regions, scaled-down procurement volumes and shifts in demand structure in international public markets, as well as trade protectionism and market access barriers arising from the restructuring of industrial and supply chains. At the same time, with the accelerated expansion of the Group's global sales network and the extension of its business scope to diverse markets, there will be higher requirements on its overall capabilities. If the Group fails to adjust and advance differentiated and refined marketing and commercialisation strategies in a timely manner in response to the foregoing changes and new circumstances, or if the corresponding talent reserves and management models fail to keep pace with the needs of international development, the mismatch between internal and external environments may give rise to operating and management risks.

2. *Risks arising from mergers, acquisitions and integration*

Legal, policy and operating risk exposures may also be confronted by the Group during the process of mergers, acquisitions and business consolidations. Upon completion of acquisitions, the requirements on the operation and management of the Group will become higher. If mergers and acquisitions could not bring about a synergistic impact, the operating results of the Group may be adversely affected.

In this regard, the Group will continue to improve its technologies and professionalism, the understanding of regulatory rules and policies of overseas market so as to minimize the potential operational risks of operational activities.

(V) Exchange rate fluctuation risks

With the profound implementation of the Group's internationalization strategies, the business coverage continues to expand, and the proportion of purchases, sales, and mergers and acquisitions denominated in foreign currencies has continued to increase. Changes in exchange rates will affect the value of assets and liabilities denominated in foreign currencies and the value of overseas entities, thereby indirectly leading to volatility in the Group's income or cash flow over a period of time. With the deepening of exchange rate marketization reforms, exchange rate fluctuations between the renminbi and other convertible currencies have intensified, and the Group may be exposed to exchange rate fluctuation risks during foreign exchange settlements.

In this regard, the Group will keep paying attention to fluctuations of the foreign exchange rate, and continuously optimize the structure of domestic and overseas assets, so as to reasonably control foreign exchange exposure and improve the ability to deal with exchange rate fluctuation risks.

(VI) Force majeure risks

Severe natural disasters and abrupt public health incidents may harm the properties and personnel of the Group, and may affect the normal production and operation of the Group.

In this regard, the Group will strengthen the analysis and prediction of force majeure risks, and continuously improve the emergency management system, so as to try to reduce the adverse impact that force majeure incidents may bring to operations.

OTHER EVENTS

I. Increase in Shareholding of Shanghai Henlius, a Subsidiary of the Company

Based on the confidence in the development of and recognition of the value of Shanghai Henlius, a subsidiary of the Company, in April 2025, Fosun Pharma Industrial, a subsidiary of the Company, entered into transfer agreements with Shanghai Shanwu, Wuxi Tongshan, Zhoushan Guoyun and HenLink, Inc. ("**Sellers**"), respectively, pursuant to which, a total of 21,034,313 shares of Shanghai Henlius' unlisted shares held by the Sellers will be transferred at the price of HK$24.60 per share to the Group and the consideration of the transfer amounted to approximately HK$517 million (or equivalent RMB). As at the end of the Reporting Period, the shareholding of Shanghai Henlius held by the Group increased to 63.43% (59.56% before this increase).

II. Proposed Spin-off Listing of Fosun Adgenvax (a Subsidiary of the Company) on the Main Board of the Hong Kong Stock Exchange

On 22 January 2026, the Board resolved that, in order to better promote the continuous improvement of corporate governance standards and the robust and sustainable development of the Group's subsidiaries with specific industry platform capabilities, thereby maximizing shareholder value, the Company proposed to spin off its subsidiary, Fosun Adgenvax (the Group's vaccine platform enterprise), for a listing on the Main Board of the Hong Kong Stock Exchange.

The Shareholders approved, among other things, the resolutions regarding the proposed spin-off of Fosun Adgenvax and its listing on the Hong Kong Stock Exchange on 27 February 2026. As at the date of this report, the proposed spin-off listing is subject to the satisfaction of a number of conditions, including but not limited to completion of internal decision-making procedures at Fosun Adgenvax, completion of the filing with the China Securities Regulatory Commission, and obtaining approvals from the Hong Kong Stock Exchange and other relevant regulatory authorities.

III. Information on the Approval of Registration and Issuance of Interbank Market Debt Financing Instruments

In March 2025, the National Association of Financial Market Institutional Investors issued the "Notice of Acceptance for Registration" (Zhong Shi Xie Zhu (中市协注) [2025] No. MTN272 and Zhong Shi Xie Zhu (中市协注) [2025] No. SCP71) to accept the registration of the medium-term notes and the super short-term commercial papers of the Company. The registered amount of the medium-term notes and the super short-term commercial papers is RMB4,000 million and RMB6,000 million, which is effective for two years commencing from 20 March 2025, and issuable in tranches within the effective registration period.

On 24 April 2025, the Company issued the first tranche of medium-term notes within the abovementioned registered amount. The aggregate principal amount is RMB500 million with 3.10% of coupon rate and two years of terms.

On 6 August 2025, the Company issued the second tranche of scientific and technological innovation bonds for 2025 within the abovementioned registered amount. The aggregate principal amount is RMB1,000 million with 2.70% of coupon rate and two years of terms.

On 30 January 2026, the Company issued the first tranche of scientific and technological innovation bonds for 2026 within the abovementioned registered amount. The aggregate principal amount is RMB1,000 million with 2.40% of coupon rate and two years of terms.

Five-Year Statistics

Unit: million Currency: RMB

Year	2021 (Restated)	2022	2023年	2024	**2025**
Operating Results					
Revenue	38,864	43,811	41,249	40,910	**41,498**
Profit for the year	4,976	3,954	2,907	3,512	**4,248**
Profit for the year attributable to owners of the parent	4,729	3,737	2,399	2,770	**3,371**
EBITDA	8,814	8,041	7,720	8,772	**10,102**
Proposed final dividend (in RMB Yuan)	0.56	0.42	0.27	0.32	**0.39**
Earnings per share (in RMB Yuan)					
Earnings per share — basic	1.85	1.43	0.90	1.04	**1.27**
Earnings per share — diluted	1.85	1.43	0.90	1.04	**1.27**
Equity					
Total equity	48,323	54,058	56,578	59,895	**61,802**
Equity attributable to owners of the parent	39,139	44,532	45,646	47,223	**48,703**
Equity per share attributable to owners of the parent	15.27	16.67	17.08	17.68	**18.24**
Debt					
Total debt	24,509	29,116	32,574	33,064	**32,954**
Gearing ratio (%)	26.28%	27.18%	30.81%	28.16%	**27.46%**
Interest coverage (times)	10.41	7.94	5.61	6.03	**7.85**
Assets					
Cash and bank balances	10,317	16,241	13,694	13,524	**13,104**
Property, plant and equipment	13,012	15,719	20,846	22,203	**22,681**
Right-of-use asset	2,570	2,837	4,248	4,691	**5,073**
Investments in joint ventures	283	231	79	21	**442**
Investments in associates	22,344	22,863	23,802	24,632	**25,892**
Financial assets at fair value through profit or loss — non-current	1,206	2,389	1,040	1,157	**878**
Financial assets at fair value through profit or loss — current	4,241	929	1,888	2,596	**2,254**
Equity investments designated at fair value through other comprehensive income	30	15	53	16	**19**
Segment net profit					
Pharmaceutical manufacturing	2,630	3,419	1,974	3,250	**3,429**
Medical devices and medical diagnosis	2,000	771	(33)	(52)	**82**
Healthcare service	(433)	(792)	(440)	(315)	**(216)**
Pharmaceutical distribution and retail	1,948	2,114	2,242	1,777	**1,707**

EBITDA = profit before tax + finance costs + depreciation and amortization

Report of the Directors

The Directors are pleased to present their 2025 report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is deeply committed to the pharmaceutical manufacturing segment, with a focus on innovative drugs, and directly operates businesses in medical devices, medical diagnostics, and healthcare services.

Details of the principal activities of the Company's principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the Reporting Period.

BUSINESS REVIEW

A review of the business of the Group in 2025 and a discussion and analysis of the material factors underlying the Group's performance, results and financial position during the year are provided in the sections headed "Financial Review" and "Business Review" in the Management Discussion and Analysis in this report, respectively. Description of the major risks and uncertainties confronted by the Group can be found throughout this report, particularly in the section headed "Potential Risks" in the Management Discussion and Analysis in this report. Particulars of important events affecting the Group that have occurred since the end of the Reporting Period, can be found in note 51 to financial statements. The outlook of the Group's business is discussed throughout this report including the Chairman's Statement and the section headed "The Board's Discussion and Analysis on Future Development of the Group" in the Management Discussion and Analysis in this report.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2025 and the financial position of the Group at that date are set out in the financial statements and the accompanying notes on pages 143 to 284.

The Board has proposed the 2025 Final Dividend of RMB0.39 per share, before tax, for the year ended 31 December 2025, which will be subject to the approval by the Shareholders at the forthcoming annual general meeting of the Company.

The Company will publish on the website of the Hong Kong Stock Exchange or despatch a circular containing, inter alia, further information relating to the proposed distribution of the 2025 Final Dividend and the forthcoming annual general meeting of the Company to Shareholders in due course.

PROFIT DISTRIBUTION PLAN

According to the Articles of Association, the Company may distribute its profit by means of cash, shares or a combination of cash and shares. If the Company satisfies the conditions for cash dividends, priority should be given to profit distribution by means of cash dividends. The Company makes a profit distribution each year in principle, and the Board may propose to distribute interim cash dividends under the circumstances of the Company. Under the circumstances that the profit of the year and the accumulated undistributed profit are both positive, the cash dividends for the year of the Company should not be less than 10% of the distributable profit realized for the year in principle if the Company does not have any major investment plans or (plan to) incur any significant cash expenses. The specific plan for distribution shall be decided by the Shareholders at the general meeting according to the Company's actual operation status of the year. The Board shall comprehensively take account of the features of the industry where the Company operates, its stage of development, its own business model, profitability and factors such as whether there is significant capital expenditure arrangement, when distinguishing the following situations and forming different cash dividend distribution plans:

1. If the Company is at the mature stage of development and has no significant capital expenditure arrangements, the proportion of cash dividends shall be at least 80% of the profit distribution;

2. If the Company is at the mature stage of development and has significant capital expenditure arrangements, the proportion of cash dividends shall be at least 40% of the profit distribution;

3. If the Company is at the growth stage and has significant capital expenditure arrangement, the proportion of cash dividends shall be at least 20% of the profit distribution.

If it is difficult to distinguish the Company's stage of development but there is significant capital expenditure arrangement, the profit distribution may be dealt with pursuant to the rules in the preceding paragraph.

AGM AND CLOSURE OF REGISTER OF MEMBERS OF H SHARES

The notice of the forthcoming annual general meeting of the Company will be published on the website of the Hong Kong Stock Exchange or despatched to Shareholders in accordance with the requirements of the Hong Kong Listing Rules and the Articles of Association. The Company will announce the period of closure of register of members of H Shares in the notice of annual general meeting to be issued or the announcement to be otherwise issued.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information for the last five financial years, as extracted from the audited financial statements (restated/reclassified as appropriate) is set out in the section headed "Five-Year Statistics" in this report.

ISSUED CAPITAL

Details of movements in the Company's share capital during the Reporting Period are set out in note 38 to the financial statements.

SUBSIDIARIES

Particulars of the names, places of incorporation and issued/registered share capital of the Company's principal subsidiaries are set out in note 1 to the financial statements.

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES (INCLUDING TREASURY SHARES)

Repurchase of H Shares on the Open Market

Pursuant to the general mandate to repurchase H shares of the Company considered and approved at the annual general meeting, the A Shareholders class meeting and the H Shareholders class meeting of the Company (the "**General Meetings**") respectively, on 22 January 2025, the Board approved the H Share repurchase plan (the "**2025 H Share Repurchase Plan**") in which the repurchase of the H Shares by the Company with self-owned funds and/or self-raised funds, with the total number of H Shares to be repurchased not exceeding 5% (i.e. 27,597,025 shares) of the total number of the Company's H Shares (i.e. 551,940,500 shares) as at the date of the resolution of the 2023 annual general meeting (i.e., 26 June 2024) has been approved. The repurchase period shall be from 22 January 2025 to 21 July 2025 (both dates inclusive).

The Company implemented the 2025 H Share Repurchase Plan for the first time on 23 January 2025, and the implementation period of the 2025 H Share Repurchase Plan expired on 21 July 2025. During the Reporting Period, under the 2025 H Share Repurchase Plan, the Company cumulatively repurchased 3,410,500 H Shares on the open market (representing approximately 0.1277% of the total number of the Company's shares as at 21 July 2025, i.e., 2,670,429,325 shares, and 0.6179% of the total number of the Company's H Shares as at the date of resolution of the General Meetings, i.e., 26 June 2024). The total repurchase amount was approximately HK$47.84 million, details of which are summarized below:

Months	**Number of H Shares repurchased** (shares)	**Highest repurchase price** (HK$ per share)	**Lowest repurchase price** (HK$ per share)	**Total repurchase amount** (HK$ million)
January 2025	626,500	13.44	13.14	8.34
February 2025	355,500	13.42	12.54	4.60
March 2025	673,500	14.96	14.74	9.98
April 2025	709,500	14.30	13.94	9.97
May 2025	726,500	13.82	13.56	9.98
June 2025	319,000	15.96	15.36	4.98
Total	**3,410,500**	**—**	**—**	**47.84**

Note: Any discrepancies between totals and sums of figures are due to rounding.

Repurchase of A Shares on the Open Market

Pursuant to the general mandate to repurchase A Shares of the Company considered and approved at the General Meetings, on 22 January 2025, the Board approved the A Share repurchase plan (the "**2025 A Share Repurchase Plan**") in which the repurchase of A Shares by the Company with self-owned funds and/or self-raised funds through centralized price bidding, with the total repurchase amount of not less than RMB300 million and not more than RMB600 million (both amounts inclusive), as well as the repurchase price of not more than RMB30 per share has been approved. The repurchase period shall be from 22 January 2025 to 21 July 2025 (both dates inclusive).

The Company implemented the 2025 A Share Repurchase Plan for the first time on 26 March 2025, and the implementation period of the 2025 A Shares Repurchase Plan expired on 21 July 2025. During the Reporting Period, the Company repurchased a total of 14,228,552 A Shares (representing approximately 0.5328% of the total number of shares of the Company (i.e. 2,670,429,325 shares) as at 21 July 2025) on the open market according to the 2025 A Share Repurchase Plan, with an aggregated repurchase amount of approximately RMB348.36 million, details of which are summarized below:

Months	**Number of A Shares repurchased** (shares)	**Highest repurchase price** (RMB per share)	**Lowest repurchase price** (RMB per share)	**Total repurchase amount** (RMB million)
March 2025	1,613,300	25.39	24.54	39.99
April 2025	5,697,252	24.03	23.34	134.98
June 2025	6,918,000	26.06	24.59	173.38
Total	**14,228,552**	**—**	**—**	**348.36**

Note: Any discrepancies between totals and sums of figures are due to rounding.

Repurchase of A Shares under the Restricted A Share Incentive Scheme

Pursuant to the 2022 Restricted A Share Incentive Scheme and relevant authorizations approved by the Shareholders of the Company at the extraordinary general meeting, the A Shareholders class meeting and the H Shareholders class meeting held on 29 November 2022, on 11 April 2025, due to the occurrence of repurchase and cancellation situations as set out in the Restricted A Share Incentive Scheme, including: (1) the resignation of certain participants in the first grant and reserved grant; and (2) underperformance of performance appraisal indicator for the year of 2024 as stipulated in the Restricted A Share Incentive Scheme, the Board and the Supervisory Committee approved the Company to repurchase and cancel a total of 897,140 restricted A Shares with the total amount of approximately RMB19.10 million. The repurchase price of each restricted A Shares was RMB21.29. As at 30 May 2025, the relevant shares had been repurchased and cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries repurchased, sold or redeemed any of the Company's listed securities, nor disposed of or sold of any of its treasury shares during the year ended 31 December 2025. As at the end of the Reporting Period, the Company held 10,969,000 H Share as treasury shares which were intended to be used in equity incentive schemes, or to be cancelled; and held 19,906,252 A shares as treasury shares which were intended to be used for the conversion of convertible bond to be issued (if any) and/or the implementation of equity incentive scheme and/or employee share ownership scheme, or to be cancelled.

As at 31 December 2025, the total number of issued shares of the Company was 2,670,429,325, with the share capital structure as follows:

	Number of Shares	Percentage of Total Issued Shares
A Shares	2,118,488,825	79.33%
of which: A Shares held as treasury shares	19,906,252	0.75%
H Shares	551,940,500	20.67%
of which: H Shares held as treasury shares	10,969,000	0.41%

DISTRIBUTABLE RESERVES

The amount of the Company's reserves available for distribution as at 31 December 2025, calculated in accordance with PRC rules and regulations, was RMB13,914 million.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, the Group's total purchases attributable to the Group's five largest suppliers were less than 30%, and the Group's total turnover attributable to the Group's five largest customers was less than 30%.

DIRECTORS

As at the end of the Reporting Period, the Board consisted of 12 Directors. The Directors are as follows:

Executive Directors

Mr. Chen Yuqing (陳玉卿) *(Chairman)*
Ms. GUAN Xiaohui (關曉暉) *(Co-Chairman)*
Mr. Wen Deyong (文德鏞) *(Vice chairman)*
Mr. Wang Kexin (王可心)
Mr. Liu Yi (劉毅) *(Chief Executive Officer)*

Non-executive Directors

Mr. Chen Qiyu (陳啟宇)
Mr. Pan Donghui (潘東輝)

Independent non-executive Directors

Mr. Yu Tze Shan Hailson (余梓山)
Mr. Wang Quandi (王全弟)
Mr. Chen Penghui
Mr. Yang Yucheng (楊玉成)

Employee Director

Ms. Yan Jia (嚴佳)

At the annual general meeting held on 24 June 2025, shareholders re-elected Mr. Chen Yuqing, Ms. Guan Xiaohui, Mr. Wen Deyong, and Mr. Wang Kexin as executive Directors; re-elected Mr. Chen Qiyu, Mr. Pan Donghui and Mr. Wu Yifang as non-executive Directors; re-elected Mr. Yu Tze Shan Hailson and Mr. Wang Quandi as independent non-executive Directors; and elected Mr. Chen Penghui and Mr. Yang Yucheng as independent non-executive Directors. The aforementioned Directors re-elected and elected at the annual general meeting, together with Ms. Yan Jia, the employee Director elected at the employee representatives meeting of the Company, collectively form the tenth session of the board of directors.

Mr. Wu Yifang resigned as a non-executive Director with effect from 30 September 2025, due to work reassignment.

At the extraordinary general meeting held on 2 December 2025, Mr. Liu Yi was appointed as an executive Director.

SUPERVISORS

Upon approval by shareholders at the annual general meeting, the 2025 first class meeting of holders of A shares and the 2025 first class meeting of holders of H shares, all held on 24 June 2025, the supervisory committee was cancelled by the Company after the conclusion of such meetings, and the relevant duties and powers of the supervisory committee as stipulated by the PRC Company Law are exercised by the Audit Committee of the Board of Directors. Mr. Chen Bing, Mr. Guan Yimin and Ms. Wang Lina retired as supervisors of the Company on the same day.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out on pages 128 to 137 of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a term of not more than three years until the conclusion of the forthcoming general meeting of the Company, at which members of the next session of the Board will be elected. None of the Directors has an unexpired service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The executive Director who is also the senior management of the Company is not entitled to receive by way of remuneration for their services as being executive Directors, but entitled to receive from the Group by way of remuneration for their services as the senior management of the Company, and such remuneration will be assessed and determined by the Board. The remuneration for the executive Director should be determined by the Shareholders at the general meetings of the Company based on the economic benefits received by the Company and by reference to factors including the responsibilities and performance of the Directors and the remuneration standards of the industry. The allowances standard for the independent non-executive Directors should be determined by the Shareholders at the general meeting of the Company.

Details of the remuneration of Directors and chief executive and details of the five highest paid employees' remuneration are set out in note 10 and note 11 to the financial statements.

The remuneration for the year ended 31 December 2025, including salaries, allowances and benefits in kind, performance related bonuses, pension scheme contribution and cash-based long-term incentive scheme, of those who were senior management of the Company on 31 December 2025 and whose profiles are included in the section headed "Biographical Details of Directors and Senior Management" of this annual report fell within the following bands:

Remuneration bands	Number of individuals
RMB Nil to RMB2,000,000	1
RMB2,000,001 to RMB4,000,000	11
RMB4,000,001 to RMB6,000,000	0
RMB6,000,001 to RMB8,000,000	1
RMB8,000,001 to RMB10,000,000	1
RMB10,000,001 to RMB20,000,000	1

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

There is no transaction, arrangement or contract of significance to which the Company or its subsidiaries was a party subsisted at the end of the Reporting Period or at any time during the Reporting Period in which a Director or an entity connected with a Director had a material interest.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the connected transactions as disclosed in the section headed "Connected Transactions" under the "Report of the Directors" in this report, no contracts of significance (including those for the provision of services to the Group) were entered into between the Company or any of subsidiaries and the controlling shareholder or any of its subsidiaries during the Reporting Period.

PENSION SCHEME

The full-time employees of the Group are covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. The Group contributes a percentage of the employees' salaries (subject to maximum caps) to these retirement benefit schemes on a monthly basis. Under these schemes, the Group has no legal obligation for retirement benefits beyond the contributions made and there were no forfeited contributions available for reducing the current contribution level. Contributions to these schemes are expensed as incurred. The Group's pension cost charged to the income statement for the Reporting Period was RMB635.17 million.

MANAGEMENT CONTRACT

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Group were entered into or existed during the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the Reporting Period, except for the 2022 Restricted A Share Incentive Scheme, the 2022 H Share Employee Share Ownership Scheme, the 2025 A Share Option Scheme and the 2025 H Share RSU Scheme, none of the Company, its subsidiaries, the Company's controlling shareholders and their subsidiaries is a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of any shares or debentures in the Company or any other body corporate, and none of the Directors or their spouses or children under the age of 18, had any right to subscribe for securities of the Company, or had exercised any such right for the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which should be recorded in the register required to be kept pursuant to Section 352 of the SFO, or as otherwise should be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules were as follows:

(1) Interests in the Shares, underlying Shares and debentures of the Company

Name	Capacity	Class of Shares	Number of Shares[1]	Approximate percentage of Shares in relevant class of Shares
Mr. Chen Yuqing	Beneficial owner	H Share	20,000(L)	0.004%
	Beneficial owner	H Share RSU	953,500(L)	0.17%
	Beneficial owner	A Share	134,000(L)	0.01%
	Beneficial owner	A Share Option	408,600(L)	0.02%
Ms. Guan Xiaohui	Beneficial owner	H Share	25,000(L)	0.005%
	Beneficial owner	H Share RSU	686,500(L)	0.12%
	Beneficial owner	A Share	267,743(L)	0.01%
	Beneficial owner	A Share Option	294,200(L)	0.01%
Mr. Wen Deyong	Beneficial owner	H Share	20,000(L)	0.004%
	Beneficial owner	H Share RSU	686,500(L)	0.12%
	Beneficial owner	A Share	81,743(L)	0.004%
	Beneficial owner	A Share Option	294,200(L)	0.01%
Mr. Wang Kexin	Beneficial owner	H Share	20,000(L)	0.004%
	Beneficial owner	H Share RSU	610,200(L)	0.11%
	Beneficial owner	A Share	303,516(L)	0.01%
	Beneficial owner	A Share Option	261,500(L)	0.01%
Mr. Liu Yi	Beneficial owner	H Share	20,000(L)	0.004%
	Beneficial owner	H Share RSU	762,800(L)	0.14%
	Beneficial owner	A Share	15,444(L)	0.001%
	Beneficial owner	A Share Option	326,900(L)	0.02%
Mr. Chen Qiyu	Beneficial owner	A Share	114,075(L)	0.01%
Ms. Yan Jia	Beneficial owner	H Share RSU	50,900(L)	0.01%
	Beneficial owner	A Share	6,271(L)	0.0003%
	Beneficial owner	A Share Option	21,800(L)	0.001%

Note:

(1) (L) — Long position

(2) Interests in the shares, underlying shares and debentures of the Company's associated corporations (within the meaning of Part XV of the SFO)

Name	Name of associated corporations	Class of shares	Capacity	Number of Share[(1)]	Approximate percentage of Shares in relevant class of Shares
Mr. Chen Yuqing	Fosun International	Ordinary share	Beneficial owner	1,940,000(L)	0.02%
Ms. Guan Xiaohui	Fosun International	Ordinary share	Beneficial owner	1,600,000(L)	0.02%
Mr. Wang Kexin	Fosun International	Ordinary share	Beneficial owner	1,660,000(L)	0.02%
Mr. Liu Yi	Sisram Medical	Ordinary share	Beneficial owner	140,000(L)	0.03%
Mr. Chen Qiyu	Fosun International	Ordinary share	Beneficial owner	39,330,400(L)	0.48%
Mr. Pan Donghui	Fosun International	Ordinary share	Beneficial owner	18,574,484(L)	0.23%
Ms. Yan Jia	Fosun International	Ordinary share	Beneficial owner	35,795(L)	0.0004%

Note:

(1) (L) — Long position

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

As at 31 December 2025, so far as is known to the Directors, the persons or entities, other than the Directors or chief executive of the Company, who had interests or short positions recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of Shareholders	Nature of Interest	Class of Shares	Number of Shares[1]	Approximate percentage of Shares in relevant class of Shares
Fosun High Tech	Beneficial owner	H Share	71,533,500(L)	12.96%
	Beneficial owner	A Share	889,890,955(L)[2]	42.01%
Fosun International	Beneficial owner	H Share	6,000,000(L)	1.09%
	Interest of a controlled corporation	H Share	71,533,500(L)[3]	12.96%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	42.01%
Fosun Holdings	Interest of a controlled corporation	H Share	77,533,500(L)[5]	14.05%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	42.01%
Fosun International Holdings	Interest of a controlled corporation	H Share	77,533,500(L)[5]	14.05%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	42.01%
Mr. Guo Guangchang	Interest of a controlled corporation	H Share	77,533,500(L)[5]	14.05%
	Interest of a controlled corporation	A Share	889,890,955(L)[4]	42.01%
	Beneficial owner	A Share	114,075(L)	0.01%

Notes:

(1) (L) — Long position;

(2) As at the end of the Reporting Period, 546,925,000 Shares of these shares were under pledge, and the proceeds from the loan(s) to which the share pledge relates are to be applied towards repayment of Fosun High Tech's own debt(s).

(3) The Shares are held by Fosun High Tech. Fosun High Tech is wholly owned by Fosun International and therefore Fosun International is deemed to be interested in these Shares.

(4) These Shares are held by Fosun High Tech. As at the end of the Reporting Period, Fosun High Tech is wholly owned by Fosun International, which in turn is owned as to 72.50% by Fosun Holdings, and Fosun Holdings is wholly owned by Fosun International Holdings. As Fosun International Holdings is owned as to 85.29% by Mr. Guo Guangchang, Fosun International, Fosun Holdings, Fosun International Holdings and Mr. Guo Guangchang are deemed to be interested in these Shares.

(5) These Shares, of which 71,533,500 Shares are held by Fosun High Tech, and of which 6,000,000 Shares are held by Fosun International. As at the end of the Reporting Period, Fosun High Tech is wholly owned by Fosun International, which in turn is owned as to 72.50% by Fosun Holdings, and Fosun Holdings is wholly owned by Fosun International Holdings. As Fosun International Holdings is owned as to 85.29% by Mr. Guo Guangchang, Fosun Holdings, Fosun International Holdings and Mr. Guo Guangchang are deemed to be interested in these Shares.

PERMITTED INDEMNITY

At no time during the year ended 31 December 2025 and up to the date of this report was there any permitted indemnity provision in force for the benefit of any of the Directors (whether made by the Company or otherwise) or any directors of an associated company (if made by the Company). The Company has arranged appropriate Directors' and senior management's liability insurance coverage for the Directors and senior management.

SHARE INCENTIVE SCHEMES

2022 Restricted A Share Incentive Scheme

The adoption of the 2022 Restricted A Share Incentive Scheme was approved by the Shareholders of the Company at the extraordinary general meeting, the A Shareholders class meeting and the H Shareholders class meeting held on 29 November 2022. A summary of the principal terms of the Restricted A Share Incentive Scheme is set out below.

(1) Purpose

The Restricted A Share Incentive Scheme aims to further improve the corporate governance structure, promote the establishment and improvement of the incentive mechanism of the Group, fully mobilize the enthusiasm of the executive Directors and senior management personnel of the Company and employees of the Group, effectively align the interests of the Shareholders, corporate(s) and operators to focus on and work collectively for the long-term development of the Group.

(2) Participants

The participants under the Restricted A Share Incentive Scheme include executive Directors, senior management personnel of the Company, the mid-level management personnel of the Group and other employees to whom the Board considers provision of incentives to be appropriate. The detailed list of participants and their respective allocation under the scheme shall be proposed by the Board, independent non-executive Directors and the Supervisory Committee shall opine on the same, subject to the relevant procedures in the event the approval at the general meeting, the A Shareholders class meeting and the H Shareholders class meeting of the Company is required.

Participants under the Restricted A Share Incentive Scheme do not include any independent non-executive Director or Supervisor of the Company, or Shareholders individually or collectively holding more than 5% of the Shares of the Company or actual controller and his/her spouse, parents and children. The executive Directors and senior management personnel of the Company among the participants shall be elected at the general meetings or appointed by the Board. All participants shall have entered into employment agreements or engagement documents with the Company or its subsidiaries at the time of grant under the Restricted A Share Incentive Scheme and during the term of the Restricted A Share Incentive Scheme.

(3) Maximum number of shares to be issued and maximum shareholdings entitled by the participants

A number of up to 3,434,300 restricted A Shares were proposed to be granted to the participants under the Restricted A Share Incentive Scheme, representing up to 0.13% of the total number of shares of the Company (excluding treasury shares)[Note] as at the date of this report. Specifically, a number of up to 2,747,500 Shares were granted under the first grant, representing up to 0.10% of the total number of Shares of the Company (excluding treasury shares) as at the date of this report; and a number of up to 686,800 Shares were reserved for further grant, representing up to 0.03% of the total number of shares of the Company (excluding treasury shares) as at date of this report. The reserved grant portion represents up to 20% of the total Restricted A Shares to be granted under the Restricted A Share Incentive Scheme. The total number of shares of the Company granted to any of the participants under all share incentive schemes currently in force does not in the aggregate exceed 0.1% of the total number of shares of the Company as at 29 August 2022.

(4) Term, restriction period and unlocking arrangement

The term of the Restricted A Share Incentive Scheme shall be commencing from the completion date of registration of the Shares under the first grant (i.e. 13 December 2022, the same below) and ending on the date of all the Restricted A Shares granted to the participants having unlocked or repurchased and cancelled, the maximum period of which shall not exceed 60 months. As of the end of the Reporting Period, the Restricted A Share Incentive Scheme had been fully implemented and ended.

The restricted A Shares granted under the Restricted A Share Incentive Scheme shall be locked after completion of their registration. During the restriction period, the cash dividend from the restricted A Shares granted to the participants shall be held by the Company and payable to the participants upon unlocking; and in the event of the restricted A Shares are unable to be unlocked, the corresponding cash divided shall be forfeited by the Company. Within the unlocking period, the Company shall deal with matters related to the unlocking of those restricted A Shares which satisfy the conditions to such unlocking. The restricted A Shares which fail to satisfy the unlocking conditions, or fail to apply for unlocking the relevant restricted A Shares within the prescribed period as listed above, shall be repurchased by the Company at the repurchase price equal to the grant price in accordance with the terms of the Restricted A Share Incentive Scheme and cancelled accordingly.

Note: I.e. 2,639,554,073 Shares, being the total number of Shares of the Company (i.e. 2,670,429,325 Shares) after deduction of Shares repurchased but not canceled (i.e. 30,875,252 Shares), the same hereinafter.

The restriction period (i.e. the vesting period) of the restricted A Shares granted under the first grant of the Restricted A Share Incentive Scheme (which took place in 2022) shall be 12 months, 24 months and 36 months from the relevant completion date of registration of the Shares under the first grant (i.e. 13 December 2022), respectively. The unlocking schedule and arrangements for the restricted A Shares to be granted under the first grant are set out below:

Unlocking period for the restricted A Shares under the first grant	Unlocking schedule	Maximum proportion of the unlocked restricted A Shares in the total restricted A Shares to be granted under the Restricted A Share Incentive Scheme
First unlocking period	Commencing from the first trading day after expiry of the 12-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant and ending on the last trading day of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant	33%
Second unlocking period	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant and ending on the last trading day of the 36-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant	33%
Third unlocking period	Commencing from the first trading day after expiry of the 36-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant and ending on the last trading day of the 48-month period from the date of completion of registration of certain corresponding restricted A Shares under the first grant	34%

The restriction period (i.e. the vesting period) of the restricted A Shares granted under the reserved grant of the Restricted A Share Incentive Scheme (took place in 2023) shall be 12 months and 24 months from the relevant completion date of registration of the restricted A Shares under the reserved grant (i.e. 21 September 2023, same as below) , respectively. The unlocking schedule and arrangements for the restricted A Shares to be granted under the reserved grant are set out below:

Unlocking period for the restricted A Shares under the reserved grant	Unlocking schedule	Maximum proportion of the unlocked restricted A Shares in the total restricted A Shares to be granted under the Restricted A Share Incentive Scheme
First unlocking period	Commencing from the first trading day after expiry of the 12-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant and ending on the last trading day of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant	50%
Second unlocking period	Commencing from the first trading day after expiry of the 24-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant and ending on the last trading day of the 36-month period from the date of completion of registration of certain corresponding restricted A Shares under the reserved grant	50%

(5) Grant price of restricted A Shares and the basis of determination

The grant price under the Restricted A Share Incentive Scheme (including the grant prices of the first grant and the reserved grant) shall be RMB21.29 per share. Upon fulfilment of grant conditions, each participant is entitled to purchase the A Shares newly issued to him or her by the Company at the price of RMB21.29 per share.

The grant price underlying the first grant of the Restricted A Share Incentive Scheme shall not be less than the nominal value of the Shares, and shall not be less than the higher of the following prices:

(a) 50% of the average trading price of the A Shares on the last trading day prior to the date of the A-Share announcement on the Restricted A Share Incentive Scheme (i.e. 29 August 2022); and

(b) 50% of the average trading price of the A Shares on the last 20 trading days prior to the date of the A-Share announcement on the Restricted A Share Incentive Scheme.

The grant price underlying the reserved grant of the Restricted A Share Incentive Scheme shall not be less than the nominal value of the Shares, and shall not be less than the higher of the following prices:

(a) 50% of the average trading price of the A Shares on the last trading day prior to the date of the announcement of Board resolution on the reserved grant (i.e. 31 August 2023);

(b) 50% of the average trading price of the A Shares on the last 20, 60 or 120 trading days prior to the date of the announcement of Board resolutions on the reserved grant; and

(c) the grant price of the first grant.

Pursuant to the Restricted A Share Incentive Scheme and under the authorization of the aforesaid extraordinary general meeting and class meetings, on 11 April 2025, the Board and the Supervisory Committee considered and approved, among other things, the repurchase and cancellation of 897,140 Restricted A Shares that were yet to be unlocked, at a total repurchase amount of RMB19.10 million. In addition, it was approved to forfeit the cash dividends from such Shares repurchased and cancelled for the corresponding year(s) as held in escrow by the Company. As at 30 May 2025, the repurchase and cancellation of relevant Shares (i.e. 897,140 Shares) have been completed.

On 1 January 2025 and 31 December 2025, the maximum number of restricted A Shares to be granted under the Restricted A Share Incentive Scheme was 0 share. During the Reporting Period, the number of restricted A Shares that the Company may grant under the Restricted A Share Incentive Scheme was 0 share, representing approximately 0.00% of the weighted average number of the total number of A Shares of the Company (excluding treasury shares) in 2025. During the Reporting Period, no restricted A Share was granted and/or unblocked under the Restricted A Share Incentive Scheme.

During the Reporting Period, details of changes in the relevant restricted A Shares under the Restricted A Share Incentive Scheme are set out as follows:

Participant(s)	Grant date	Grant price (RMB/share)	Lock-up period	Number of restricted A Shares granted and issued (shares)	Number of restricted A Shares not yet unlocked as at 1 January 2025 (shares)	Number of restricted A Shares granted during the Reporting Period (shares)	Number of restricted A Shares unlocked during the Reporting Period (shares)	Number of restricted A Shares lapsed/ cancelled during the Reporting Period (shares)	Number of restricted A Shares not yet unlocked as at 31 December 2025 (shares)
Guan Xiaohui	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	187,100	63,614	0	0	63,614	0
Wen Deyong	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	187,100	63,614	0	0	63,614	0
Wang Kexin	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	215,200	73,168	0	0	73,168	0
Yan Jia	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	18,700	6,358	0	0	6,358	0
Liu Yi	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	46,800	15,912	0	0	15,912	0
Wu Yifang	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	257,200	87,448	0	0	87,448	0
Subtotal	—	—	—	912,100	310,114	0	0	310,114	0
Other participants	1 December 2022	21.29	From 13 December 2022 to 12 December 2025[1]	1,589,300	431,426	0	0	431,426	0
Other participants	1 September 2023	21.29	From 21 September 2023 to 20 September 2025[2]	371,600	155,600	0	0	155,600	0
Total	—	—	—	2,873,000	897,140	0	0	897,140	0

Notes:

(1) Upon fulfilment of certain unlocking conditions of the Restricted A Share Incentive Scheme (including Group level performance appraisal and individual level performance appraisal of participants, please refer to the Company's circular dated 31 October 2022 for details), the arrangement for the unlocking of restricted A Shares granted on 1 December 2022 is as follows:

Lock-Up period	Unlocking period	Maximum proportion of the unlocked restricted A Shares in the total restricted A Shares to be granted
From 13 December 2022 to 12 December 2023	From 13 December 2023 to 12 December 2024	33%
From 13 December 2022 to 12 December 2024	From 13 December 2024 to 12 December 2025	33%
From 13 December 2022 to 12 December 2025	From 13 December 2025 to 12 December 2026	34%

(2) Upon fulfilment of certain unlocking conditions of the Restricted A Share Incentive Scheme (including Group level performance appraisal and individual level performance appraisal of participants, please refer to the Company's circular dated 31 October 2022 for details), the arrangement for the unlocking of restricted A Shares granted on 1 September 2023 is as follows:

Lock-Up period	Unlocking period	Maximum proportion of the unlocked restricted A Shares in the total restricted A Shares to be granted
From 21 September 2023 to 20 September 2024	From 21 September 2024 to 20 September 2025	50%
From 21 September 2023 to 20 September 2025	From 21 September 2025 to 20 September 2026	50%

The impact of the implementation of the Restricted A Share Incentive Scheme on the Group's accounting costs for each period would be calculated and amortized in accordance with the requirements of the HKFRS.

2022 H Share Employee Share Ownership Scheme

The 2022 H Share Employee Share Ownership Scheme was approved by the Shareholders of the Company at the extraordinary general meeting held on 29 November 2022. A summary of the principal terms and implementation status of the 2022 H Share Employee Share Ownership Scheme is set out below.

(1) Purpose

The 2022 H Share Employee Share Ownership Scheme aims to further improve the corporate governance structure of the Group, promote the establishment and improvement of the incentive mechanism of the Group, fully mobilize the enthusiasm of the executive Directors and senior management personnel of the Company and employees of the Group, and effectively align the interests of the shareholders, corporate(s) and operators to focus on and work collectively for the long-term development of the Group.

(2) Participants

The holders under the 2022 H Share Employee Share Ownership Scheme include executive Directors and senior management personnel of the Company and the mid-level management personnel of the Group and other employees to whom the Board considers provision of incentives to be appropriate. The detailed list of holders and their respective allocation shall be proposed by the Board, and independent non-executive Directors and the Supervisory Committee shall opine on the same, subject to the relevant procedures in the event the approval at the general meeting of the Company is required.

Participants under the H Share Employee Share Ownership Scheme do not include any independent non-executive Director or Supervisor of the Company, or Shareholders individually or collectively holding more than 5% of the shares of the Company or actual controller and his/her spouse, parents and children. The executive Directors and senior management personnel of the Company among the holders shall be elected at the general meeting or appointed by the Board. All holders shall enter into employment agreements or engagement documents with the Company or its subsidiaries at the time of grant under the H Share Employee Share Ownership Scheme and during the term of the H Share Employee Share Ownership Scheme.

(3) Source of funds, source of target shares and upper limit of interests granted to holders

The source of funds of the H Share Employee Share Ownership Scheme is the Company's funds designated for incentive purposes with a size of RMB73,462,500, and the holders are not required to pay any consideration. The H Share Employee Share Ownership Scheme is denominated in "units", each being RMB1 in value, i.e. the maximum number of units under the scheme is 73,462,500. Amongst which, there are up to 58,770,000 units under the first grant, and the remainder of up to 14,692,500 units are reserved units. The total number of H Shares to be held under the H Share Employee Share Ownership Scheme shall not exceed 0.5% of the total number of Shares of the Company, and the total number of H Shares corresponding to units to be held by a holder under the scheme shall not in the aggregate exceed 0.5% of the total number of Shares of the Company.

The Company has entrusted Changjiang Pension to be the management agency of the H Share Employee Share Ownership Scheme and to carry out the daily management of the H Share Employee Share Ownership Scheme through the Changjiang Pension Employee Share Ownership Product. From 12 December 2022 to 29 December 2022 (both days inclusive), the Changjiang Pension Employee Share Ownership Product purchased 2,837,000 H Shares of the Company through the Shanghai-Hong Kong Stock Connect trading system, representing 0.11% of the total number of Shares and 0.51% of the total number of H Shares of the Company (i.e. 551,940,500 Shares) as at the date of this report, respectively. The total trading amount was approximately HK$74.87 million (excluding trading fees), and the average trading price was HK$26.39 per share. The remaining capital of the employee share ownership product will be used for liquidity management. As at 29 December 2022, the purchase of relevant H Shares under the H Share Employee Share Ownership Scheme had been completed, and such H Shares were locked up in accordance with the rules of the scheme.

(4) Term, lock-up period and vesting

The term of the H Share Employee Share Ownership Scheme shall not exceed 60 months commencing from the date on which the H Share Employee Share Ownership Scheme is considered and approved at the general meeting of the Company and the target shares under the H Share Employee Share Ownership Scheme are purchased as announced by the Company (i.e. 29 December 2022, same as below). Unless otherwise extended as reviewed by the holders' meeting under the H Share Employee Share Ownership Scheme and resolved and approved by the Board, the H Share Employee Share Ownership Scheme shall be automatically terminated upon its expiry. As at the date of this report, the remaining validity period of the H Share Employee Share Ownership Scheme does not exceed 22 months.

The lock-up period for the target shares under the H Share Employee Share Ownership Scheme shall be 12 months commencing from the date on which the H Shares under the scheme are purchased in the secondary market as announced by the Company. In case of capitalization of capital reserves, bonus issue and refinancing by the Company during the lock-up period, the Shares newly acquired under the scheme due to holding of the Company's Shares cannot be sold in the secondary market or otherwise disposed of. The lock-up period of such newly acquired Shares under the scheme shall be the same as that of their corresponding target shares.

The units under the first grant of the H Share Employee Share Ownership Scheme (granted in 2022) shall be vested according to the performance appraisal results at the Group level and the performance appraisal results of the respective holder at the individual level in three batches. The specific vesting periods and vesting arrangements are set out below:

Vesting period of units under the first grant	Vesting schedule	Maximum proportion of the units that can be vested in the total number of units granted under the H Share Employee Share Ownership Scheme
First vesting period	Commencing from the first trading day after the expiry of the 12-month period from the date on which the target shares under the H Share Employee Share Ownership Scheme are purchased in the secondary market as announced by the Company and ending on the last trading day of the 24-month period from such date	33%
Second vesting period	Commencing from the first trading day after the expiry of the 24-month period from the date on which the target shares under the H Share Employee Share Ownership Scheme are purchased in the secondary market as announced by the Company and ending on the last trading day of the 36-month period from such date	33%
Third vesting period	Commencing from the first trading day after the expiry of the 36-month period from the date on which the target shares under the H Share Employee Share Ownership Scheme are purchased in the secondary market as announced by the Company and ending on the last trading day of the 48-month period from such date	34%

The units under the reserved grant of the H Share Employee Share Ownership Scheme (granted in 2023) shall be vested according to the performance appraisal results at the Group level and the performance appraisal results of the respective holder at the individual level in two batches. The specific vesting periods and vesting arrangements are set out below:

Vesting period of the units under the reserved grant	Vesting schedule	Maximum proportion of the units that can be vested in the total number of units granted under the H Share Employee Share Ownership Scheme
First vesting period	Commencing from the first trading day after expiry of the 12-month period from the reserved unit grant date under the H Share Employee Share Ownership Scheme as announced by the Company and ending on the last trading day of the 24-month period from such date	50%
Second vesting period	Commencing from the first trading day after expiry of the 24-month period from the reserved unit grant date under the H Share Employee Share Ownership Scheme as announced by the Company and ending on the last trading day of the 36-month period from such date	50%

On 11 April 2025, the Board considered and approved, among other things, the forfeiture of 19,204,400 unvested units under the H Share Employee Share Ownership Scheme by the H Share Employee Share Ownership Scheme management committee.

On 1 January 2025 and 31 December 2025, the units to be granted under the H Share Employee Share Ownership Scheme were both 0. During the Reporting Period, no H Share was granted and/or vested in accordance with the H Share Employee Share Ownership Scheme.

During the Reporting Period, the details of the changes in the shares of the H Share Employee Share Ownership Scheme are set out as follows:

Participant(s)	Grant date	Lock-up period	Number of units granted (units)	Number of units not yet vested as at 1 January 2025 (units)	Number of units granted during the Reporting Period (units)	Number of units vested during the Reporting Period (units)	Number of units lapsed/ cancelled during the Reporting Period (units)	Number of units not yet vested as at 31 December 2025 (units)
Guan Xiaohui	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	4,000,000	1,360,000	0	0	1,360,000	0
Wen Deyong	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	4,000,000	1,360,000	0	0	1,360,000	0
Wang Kexin	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	4,600,000	1,564,000	0	0	1,564,000	0
Yan Jia	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	400,000	136,000	0	0	136,000	0
Liu Yi	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	1,000,000	340,000	0	0	340,000	0
Wu Yifang	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	5,500,000	1,870,000	0	0	1,870,000	0
Subtotal	—	—	19,500,000	6,630,000	0	0	6,630,000	0
Other participants	29 November 2022[1]	From 29 December 2022 to 28 December 2025[2]	34,000,000	9,227,400	0	0	9,227,400	0
Other participants	1 September 2023	From 1 September 2023 to 31 August 2025[3]	7,994,000	3,347,000	0	0	3,347,000	0
Total	—	—	61,494,000	19,204,400	0	0	19,204,400	0

Notes:

(1) The H Share Employee Share Ownership Scheme (including the first grant under the H Share Employee Share Ownership Scheme) was approved to be implemented by the Shareholders of the Company on 29 November 2022. Therefore, the grant date of the first grant under the H Share Employee Share Ownership Scheme was 29 November 2022.

(2) The units under the first grant granted to holders under the H Share Employee Share Ownership Scheme shall be vested as follows upon fulfilment of certain vesting conditions of the H Share Employee Share Ownership Scheme (including Group level performance appraisal and individual level performance appraisal of the participants, please refer to the Company's circular dated 31 October 2022 for details):

Lock-up period	Vesting period	Maximum proportion of the units that can be vested in the total number of units granted
From 29 December 2022 to 28 December 2023	From 29 December 2023 to 28 December 2024	33%
From 29 December 2022 to 28 December 2024	From 29 December 2024 to 28 December 2025	33%
From 29 December 2022 to 28 December 2025	From 29 December 2025 to 28 December 2026	34%

(3) The units under the reserved grant granted to holders under the H Share Employee Share Ownership Scheme shall be vested as follows upon fulfilment of certain vesting conditions of the H Share Employee Share Ownership Scheme (including Group level performance appraisal and individual level performance appraisal of the participants, please refer to the Company's circular dated 31 October 2022 for details):

Lock-up period	Vesting period	Maximum proportion of the units that can be vested in the total number of units granted
From 1 September 2023 to 31 August 2024	From 1 September 2024 to 31 August 2025	50%
From 1 September 2023 to 31 August 2025	From 1 September 2025 to 31 August 2026	50%

The impact of the implementation of the H Share Employee Share Ownership Scheme on the Group's accounting costs would be calculated and amortized in accordance with the requirements of the HKFRS.

2025 A Share Option Scheme

The adoption of the 2025 A Share Option Scheme was approved by the Shareholders of the Company at the extraordinary general meeting held on 23 October 2025. A summary of the principal terms of the 2025 A Share Option Scheme is set out below.

(1) Purpose

The A Share Option Scheme aims to further improve the corporate governance structure, establish and enhance the long-term incentive mechanism of the Group, attract and retain outstanding talent, fully mobilise the enthusiasm of the executive Directors, employee Director and senior management personnel of the Company and employees of the Group, and effectively align the interests of the Shareholders, corporate(s) and the Group's core team personnel to focus on and work collectively for the long-term development of the Group.

(2) Participants

The participants under the A Share Option Scheme include executive Directors, employee Director, senior management personnel of the Company, the mid-level management personnel of the Group and other employees of the Group whom the Board considers appropriate to be incentivised. The detailed list of participants and their respective allocation shall be approved by the Board, and the Remuneration and Appraisal Committee shall verify such list, subject to any relevant procedures in the event the approval at the general meeting of the Company is required.

Participants under the A Share Option Scheme shall not include any (i) independent non-executive Director of the Company, or (ii) Shareholder or actual controller and his/her spouse, parents and children where any of the aforesaid individually or collectively holds more than 5% of the Shares. The executive Directors and senior management personnel of the Company among the participants shall have been elected at the general meetings of the Company or elected by the Board. All participants (including the employee Director) shall have entered into labour contracts or employment agreements with the Company or its subsidiaries at the time of grant of A Share Options and during the term of the A Share Option Scheme.

(3) Maximum number of A Shares underlying A Share Options and maximum interest the participants may be granted

The maximum number of A Share Options that may be granted under the A Share Option Scheme is 5,726,100 Options, corresponding to a maximum of 5,726,100 A Shares, representing approximately 0.22% of the total number of Shares (excluding treasury shares) of the Company as at the date of this report. Among which: the maximum number of A Share Options to be granted under the first grant is 4,580,900 Options, corresponding to a maximum of 4,580,900 A Shares, representing approximately 0.17% of the total number of Shares (excluding treasury shares) of the Company as at the date of this report; the maximum number of A Share Options to be granted under the reserved grant is 1,145,200 Options, corresponding to a maximum of 1,145,200 A Shares, representing approximately 0.04% of the total number of Shares (excluding treasury shares) of the Company as at the date of this report. Unless approved by the Shareholders at a general meeting of the Company, the aggregate number of Shares granted to any participant under all share incentive schemes of the Company in effect shall not exceed 1% of the total number of Shares of the Company.

The source of A Shares underlying the A Share Options granted under the A Share Option Scheme are existing A Shares repurchased or to be repurchased by the Company on the secondary market (being A Shares held as treasury shares by the Company).

(4) Term, vesting period and exercise schedule

The term of the A Share Option Scheme shall be commencing from the date of the first grant of A Share Options (i.e. 4 November 2025, same as below) and ending on the date of all the A Share Options granted to the participants having been exercised and/or cancelled, which shall not exceed a maximum period of 60 months. As at the date of this report, the remaining validity period of the A Share Option Scheme is no more than 56 months.

The A Share Options granted under the A Share Option Scheme shall be subject to the vesting period, and the A Share Options granted to the participants are subject to different vesting periods. Any participant may only exercise the A Share Options after the expiration of the vesting period.

The vesting period of the A Share Options granted under the first grant of A Share Options (which took place in 2025) shall be 12 months, 24 months and 36 months from the date of the first grant. The exercise period and the exercise schedule for each such period are set out below:

Exercise period for the A Share Options granted under first grant	Exercise schedule	Maximum proportion of the exercisable A Share Options in the total number of A Share Options granted under the first grant
First exercise period	Commencing from the first trading day after expiry of the 12-month period from the date of the first grant and ending on the last trading day of the 24-month period from the date of the first grant	33%
Second exercise period	Commencing from the first trading day after expiry of the 24-month period from the date of the first grant and ending on the last trading day of the 36-month period from the date of the first grant	33%
Third exercise period	Commencing from the first trading day after expiry of the 36-month period from the date of the first grant and ending on the last trading day of the 48-month period from the date of the first grant	34%

If the reserved grant of A Share Options (which had not taken place as of 31 December 2025) takes place in 2026, the vesting period of the A Share Options granted shall be 12 months and 24 months from the date of the reserved grant. The exercise period and the exercise schedule for each such period are set out below:

Exercise period for the A Share Options granted under the reserved grant	Exercise schedule	Maximum proportion of the exercisable A Share Options in the total number of A Share Options granted under the reserved grant
First exercise period	Commencing from the first trading day after expiry of the 12-month period from the date of the reserved grant and ending on the last trading day of the 24-month period from the date of the reserved grant	50%
Second exercise period	Commencing from the first trading day after expiry of the 24-month period from the date of the reserved grant and ending on the last trading day of the 36-month period from the date of the reserved grant	50%

(5) A Share Option Exercise Price and the basis of determination

The A Share Option Exercise Price under the first grant of A Share Options shall be RMB27.93 per share. Upon the Company confirming the fulfilment of the exercising conditions of the A Share Options, each A Share Option Participant is entitled to exercise the exercisable A Share Options granted to him/her to subscribe for the corresponding number of A Shares at the price of RMB27.93 per share during the A Share Option Exercise Period. The A Share Option Exercise Price under the first grant shall not be lower than the nominal value of the A Shares, and shall not be lower than the higher of the following prices:

(a) the average trading price of the A Shares on the last trading day immediately preceding the date of the A-Share announcement on the A Share Option Scheme (i.e. 22 August 2025, hereinafter the same), which is RMB27.93 per share; and

(b) the average trading price of the A Shares for the last 120 trading days immediately preceding the date of the A-Share announcement on the A Share Option Scheme, which is RMB25.78 per share.

The A Share Option Exercise Price under the reserved grant of A Share Options shall not be lower than the nominal value of the A Shares, and shall not be lower than the highest of the followings:

(a) the average trading price of the A Shares on the last trading day immediately preceding the date of the A-Share announcement on the Board resolutions approving the reserved grant;

(b) one of the average trading prices of the A Shares for the last 20, 60 or 120 trading days immediately preceding the date of the A-Share announcement on the Board resolutions approving the reserved grant; and

(c) the A Share Option Exercise Price under the first grant of A Share Options.

On 4 November 2025, given that 6 proposed participants has ceased to be employed by the Group and thus ceased to fall within the scope of participants under the A Share Option Scheme, the Board resolved, pursuant to the authorisation granted by the Shareholders' meeting, to adjust the list of proposed participants and the number of A Share Options granted under the first grant of A Share Options. The Board also resolved to set 4 November 2025 as the date of the first grant, with an exercise price of RMB27.93 per share for the first grant, and to grant an aggregate of 4,535,100 A Share Options (corresponding to 4,535,100 A Shares) to 195 proposed participants of the first grant.

Except for 13 proposed participants (who were collectively granted 88,700 A Share Options) who voluntarily gave up participating in the first grant under the A Share Option Scheme, the remaining 182 proposed participants of the first grant were granted a total of 4,446,400 A Share Options (corresponding to 4,446,400 A Shares), which were registered on 2 December 2025.

During the reporting period, the Company granted an aggregate of 4,535,100 A Share Options under the A Share Option Scheme, corresponding to 4,535,100 A shares, and no payment is required for acceptance of the A Share Options. The number of Shares that may be transferred out of treasury in respect of A Share Options granted by the Company under the A Share Option Scheme during the Reporting Period, divided by the weighted average total number of A Shares (excluding treasury shares) during the Reporting Period was 0.22%. As at 1 January 2025 and as at 31 December 2025, the number of A Share Options available for grant under the A Share Option Scheme was nil and no more than 1,145,200 options (corresponding to no more than 1,145,200 A Shares), respectively.

During the Reporting Period, details of changes in the relevant A Share Options under the A Share Option Scheme are set out as follows:

Participant(s)	Grant date	Exercise price (RMB/share)[1]	Vesting period	Number of A Share Options granted (options)	Number of A Share Options not yet exercised as at 1 January 2025 (options)	Number of A Share Options granted during the Reporting Period (options)	Number of A Share Options exercised during the Reporting Period (options)	Number of A Share Options lapsed during the Reporting Period (options)	Number of A Share Options cancelled during the Reporting Period (options)	Number of A Share Options not yet exercised as at 31 December 2025 (options)
Chen Yuqing	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	408,600	—	408,600	—	—	—	408,600
Guan Xiaohui	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	294,200	—	294,200	—	—	—	294,200
Wen Deyong	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	294,200	—	294,200	—	—	—	294,200
Wang Kexin	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	261,500	—	261,500	—	—	—	261,500
Liu Yi	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	326,900	—	326,900	—	—	—	326,900
Yan Jia	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	21,800	—	21,800	—	—	—	21,800
Subtotal	—	—	—	1,607,200	—	1,607,200	—	—	—	1,607,200
Other participants	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	2,927,900	—	2,927,900	—	88,700	—	2,839,200
Total	—	—	—	4,535,100	—	4,535,100	—	88,700	—	4,446,400
Among which:										
Five highest paid employees	4 November 2025	27.93	4 November 2025 to 3 November 2028[2]	849,900	—	849,900	—	—	—	849,900

Notes:

(1) On the date of the first grant (i.e. 4 November 2025, hereinafter the same) and the trading day immediately preceding the date of the first grant (i.e. 3 November 2025), the closing price of the Company's A Shares was RMB28.30 and RMB29.05, respectively.

The methods for recognising the fair value of the A Share Options on the grant date are as follows:

① Accounting standards and policies

In accordance with Hong Kong Financial Reporting Standard 2 — Share-based Payment (HKFRS 2), the Company shall, at each balance sheet date during the vesting period, revise the estimated number of A Share Options expected to vest based on the latest information obtained, including changes in the number of shares subject to vesting conditions, the achievement of performance appraisal indicators at the Group level and the fulfilment of performance appraisal at the individual level of the participants. The Company shall recognise the services received during the period as relevant costs or expenses, with a corresponding increase in capital reserve, based on the fair value of the A Share Options at the grant date.

② Fair value of A Share Options and determination method

In accordance with the relevant provisions of Hong Kong Financial Reporting Standard 2 — Share-based Payment and Hong Kong Financial Reporting Standard 9 — Financial Instruments, an appropriate valuation model shall be selected to calculate the fair value of the A Share Options.

The Company has selected the Black-Scholes model to determine the fair value of the A Share Options. On the date of first grant, the model was used to estimate the fair value of the 4,535,100 A Share Options granted under the first grant. Calculated based on such model, the total fair value of the 4,535,100 A Share Options (corresponding to 4,535,100 A Shares) during the Reporting Period as at the grant date was RMB15,494,000. The key parameters are set out as follows:

(i) Underlying share price: RMB28.30 per share (being the closing price of the A Shares on the date of first grant)
(ii) Expected terms: 12 months, 24 months and 36 months (being the periods from the date of first grant to each exercisable date)
(iii) Historical volatility: 20.49%, 21.04% and 21.05% (based on the volatility of the Company's A Shares over the most recent 12 months, 24 months and 36 months, respectively)
(iv) Risk-free interest rates: 1.3892%, 1.4143% and 1.4211% (based on the yields of 1-year, 2-year and 3-year PRC government bonds as published by ChinaBond, respectively)
(v) Dividend yield: 1.12% (based on the trailing twelve-month (TTM) dividend yield data as of the grant date)

(2) Upon fulfilment of certain exercise conditions under the A Share Option Scheme (including performance targets, namely the performance appraisal at the Group level and the performance appraisal targets at the individual level of the participants, as detailed in the Company's circular dated 29 September 2025), the exercise arrangements for the A Share Options granted on 4 November 2025 shall be as follows:

Vesting period	Exercise period	Maximum proportion of the exercisable A Share Options in the total number of A Share Options granted under the first grant
From 4 November 2025 to 3 November 2026	From 4 November 2026 to 3 November 2027	33%
From 4 November 2025 to 3 November 2027	From 4 November 2027 to 3 November 2028	33%
From 4 November 2025 to 3 November 2028	From 4 November 2028 to 3 November 2029	34%

The impact of implementing the A Share Option Scheme on the Group's accounting costs for each period shall be calculated and amortised in accordance with the requirements of Hong Kong Financial Reporting Standards.

The 2025 H Share RSU Scheme

The adoption of the 2025 H Share RSU Scheme was approved by the Shareholders of the Company at the extraordinary general meeting held on 23 October 2025. A summary of the principal terms of the 2025 H Share RSU Scheme is set out below.

(1) Purpose

The H Share RSU Scheme aims to further improve the corporate governance structure, establish and enhance the long-term incentive mechanism of the Group, attract and retain outstanding talent, fully mobilise the enthusiasm of the executive Directors, employee Director and senior management personnel of the Company and employees of the Group, and effectively align the interests of the Shareholders, corporate(s) and the Group's core team personnel to focus on and work collectively for the long-term development of the Group.

(2) Eligible Employees

Eligible employees ("**Eligible Employees**") who may be selected to be grantees under of the H Share RSU Scheme shall include the executive Directors, employee Director and senior management of the Company, the mid-level management of the Group, and other employees of the Group whom the Board considers appropriate to be incentivised.

Eligible Employees shall not include any (i) independent non-executive Director of the Company, or (ii) Shareholder or actual controller and his/her spouse, parents and children where any of the aforesaid individually or collectively holds more than 5% of the Shares.

(3) Scheme limits and individual limit

Subject to the H Share Scheme Mandate Limit, the maximum number of RSUs that may be granted under the H Share RSU Scheme shall not exceed 13,370,500 RSUs, corresponding to a maximum of 13,370,500 H Shares, which represents approximately 0.51% of the total number of Shares (excluding treasury shares) of the Company as at the date of this report. Among which: the maximum number of RSUs to be granted under the first grant is 10,696,400 RSUs, corresponding to a maximum of 10,696,400 H Shares, representing approximately 0.41% of the total number of Shares (excluding treasury shares) of the Company as at the date of this report; the maximum number of RSUs to be granted under the reserved grant is 2,674,100 units, corresponding to a maximum of 2,674,100 H Shares, representing approximately 0.10% of the total number of issued Shares (excluding treasury shares) of the Company as at the date of this report.

The total number of H Shares which may be issued and transferred out of treasury in respect of all RSUs to be granted under the H Share RSU Scheme and all options and awards to be granted under any other share scheme(s) of the Company shall not exceed 10% of the total number of H Shares (excluding any treasury shares) as at the adoption date of the H Share RSU Scheme (the "**H Share Scheme Mandate Limit**").

The total number of H Shares transferred and to be transferred out of treasury in respect of all RSUs granted and to be granted under the H Share RSU Scheme and the total number of H Shares issued (and to be issued) and transferred (and to be transferred) out of treasury in respect of all options and awards granted or to be granted under any other share scheme(s) of the Company to each grantee of RSUs (excluding options or awards lapsed in accordance with the relevant scheme rules) in any 12-month period up to (and including) the date of the latest grant shall not exceed 1% of the total number of H Shares (excluding any treasury shares) (the "**1% Individual Limit**"). Any further grant of RSUs to a grantee of RSUs which would exceed the 1% Individual Limit shall be subject to separate approval of the Shareholders in general meeting in accordance with the Hong Kong Listing Rules and subject to the other requirements under the Hong Kong Listing Rules.

(4) Grant price and vesting price

The grant price (if any), method of payment and time within which any such payment must be made in respect of the RSUs shall be determined at the sole discretion of the Board or the scheme administrator of the H Share RSU Scheme, and the grant price may be zero. The vesting price of RSUs, being the purchase price of H shares payable by the grantees of RSUs to the Company upon vesting of the RSUs, shall be RMB1.00 per share.

(5) Scheme period, vesting period and vesting schedule

The H Share RSU Scheme shall be valid and effective for a scheme period of 60 months commencing from (and including) the adoption date thereof (i.e. 23 October 2025), unless terminated earlier in accordance with the rules of the H Share RSU Scheme. As at the date of this report, the remaining scheme period of the H Share RSU Scheme is not exceeding 55 months.

Vesting of the RSUs granted under the H Share RSU Scheme is subject to such vesting period and vesting conditions as set out in the rules of the H Share RSU Scheme (the date or each such date on which the RSUs are to vest is referred to as a "**H Share RSU Vesting Date**"). Notwithstanding any provisions to the contrary in the rules of the H Share RSU Scheme, the vesting of the RSUs shall be subject to and conditional upon the prior approval of the Board.

The vesting period of the RSUs granted under the first grant of RSUs (which took place in 2025) shall be 12 months, 24 months and 36 months from the date of the first grant (i.e. 4 November 2025). The vesting schedule and arrangements for each such period are set out below:

Vesting schedule of the RSUs granted under the first grant		Maximum proportion of the vested RSUs in the total number of RSUs granted under the first grant
First H Share RSU Vesting Date	The first trading day after expiry of the 12-month period from the grant date	33%
Second H Share RSU Vesting Date	The first trading day after expiry of the 24-month period from the grant date	33%
Third H Share RSU Vesting Date	The first trading day after expiry of the 36-month period from the grant date	34%

If any reserved RSUs (which had not been granted as of 31 December 2025) are to be granted in 2026, the vesting schedule and arrangements for the RSUs to be granted under the reserved grant of RSUs are set out below:

Vesting schedule of the RSUs granted under the reserved grant		Maximum proportion of the vested RSUs in the total number of RSUs granted under the reserved grant
First H Share RSU Vesting Date	The first trading day after expiry of the 12-month period from the grant date	50%
Second H Share RSU Vesting Date	The first trading day after expiry of the 24-month period from the grant date	50%

On 4 November 2025, given that 6 proposed grantees had ceased to be employed by the Group and thus ceased to be Eligible Employees, pursuant to the authorisation granted by the Shareholders's meeting, the Board resolved to adjust the list of grantees and the number of RSUs involved in the first grant under the H Share RSU Scheme. The Board also resolved to set 4 November 2025 as the grant date of the first grant, and to grant a total of 10,589,500 RSUs (corresponding to 10,589,500 H Shares) to 195 proposed grantees. Among them, 182 proposed grantees under the first grant entered into grant agreements with the Company to accept a total of 10,382,200 RSUs (corresponding to 10,382,200 H Shares) granted to them.

During the reporting period, the Company granted a total of 10,589,500 RSUs under the H Share RSU Scheme, corresponding to 10,589,500 H Shares. The number of shares that may be transferred out of treasury in respect of the RSUs granted by the Company under the H Share RSU Scheme during the Reporting Period, divided by the weighted average total number of H Shares (excluding treasury shares) during the Reporting Period, was 1.95%. As at 1 January 2025 and as at 31 December 2025, the number of RSUs available for grant under the H Share RSU Scheme was nil and no more than 2,674,100 units (corresponding to 2,674,100 H Shares), respectively.

During the Reporting Period, details of changes in the relevant RSUs under the H Share RSU Scheme are set out below:

Grantees	Grante date	Vesting price (RMB/sh)	Vesting period	Number of RSUs granted (units)	Number of unvested RSUs as at 1 January 2025 (units)	Number of RSUs granted during the Reporting Period (units)	Number of RSUs vested during the Reporting Period (units)	Number of RSUs lapsed during the Reporting Period (units)	Number of RSUs cancelled during the Reporting Period (units)	Number of unvested RSUs as at 31 December 2025 (units)
Chen Yuqing	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	953,500	—	953,500	—	—	—	953,500
Guan Xiaohui	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	686,500	—	686,500	—	—	—	686,500
Wen Deyong	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	686,500	—	686,500	—	—	—	686,500
Wang Kexin	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	610,200	—	610,200	—	—	—	610,200
Liu Yi	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	762,800	—	762,800	—	—	—	762,800
Yan Jia	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	50,900	—	50,900	—	—	—	50,900
Subtotal	—	—	—	3,750,400	—	3,750,400	—	—	—	3,750,400
Other Eligible Employees	4 November 2025[1]	1.00	4 November 2025 to 3 November 2028[2]	6,839,100	—	6,839,100	—	207,300	—	6,631,800
Total	**—**	**—**	**—**	**10,589,500**	**—**	**10,589,500**	**—**	**207,300**	**—**	**10,382,200**

Notes:

(1) On the date of the first grant (i.e. 4 November 2025, hereinafter the same) and the trading day immediately preceding the date of the first grant (i.e. 3 November 2025), the closing price of the Company's H Shares was HK$22.62 and HK$23.68, respectively.

The methods for recognising the fair value of the RSUs on the grant date are as follows:

① Accounting standards and policies

In accordance with Hong Kong Financial Reporting Standard 2 — Share-based Payment (HKFRS 2), the Company shall, at each balance sheet date during the vesting period, revise the estimated number of RSUs expected to vest based on the fulfilment of vesting conditions, service conditions and performance conditions. The Company shall recognise the services received during the relevant period as costs or expenses of the Group, with a corresponding increase in capital reserve, based on the fair value of the RSUs at the grant date.

② Fair value of RSUs and determination method

As the RSUs are equity instruments with no exercise price, their fair value is measured based on the closing price of the H Shares on the grant date (i.e. HK$22.62) less the vesting price of RMB 1.00 per unit, which serves as the basis for recognising expenses over the entire vesting period. The aggregate fair value of the 10,589,500 RSUs (corresponding to 10,589,500 H Shares) granted during the Reporting Period as at the grant date was HK$227,921,000. No other feature of the RSUs granted was incorporated into the measurement of fair value.

(2) Upon fulfilment of certain vesting conditions under the H Share RSU Scheme (including performance targets, namely the performance appraisal at the Group level and the performance appraisal targets at the individual level of the participants, as detailed in the Company's circular dated 29 September 2025), the vesting arrangements for the RSUs granted on 4 November 2025 shall be as follows:

Vesting period (i.e., vesting arrangements)	The maximum proportion of vested shares in the total number of RSUs granted
From 4 November 2025 to 3 November 2026	33%
From 4 November 2025 to 3 November 2027	33%
From 4 November 2025 to 3 November 2028	34%

The impact of implementing the H Share Option Scheme on the Group's accounting costs for each period shall be calculated and amortised in accordance with the requirements of Hong Kong Financial Reporting Standards.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, as at the date of this report, the Company has been maintaining sufficient public float as required by the Hong Kong Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or applicable laws of the PRC where the Company is incorporated.

DONATIONS

During the Reporting Period, the Group made donations of approximately RMB55.04 million.

CONNECTED TRANSACTIONS

During the Reporting Period, the Company has entered into the following transactions with connected persons (as defined in the Hong Kong Listing Rules):

(A) Non-exempt Connected Transactions

1. As disclosed in the announcement of the Company dated 20 February 2025, on 20 February 2025, Fosun Health, a subsidiary of the Company, entered into a capital increase agreement with Shanghai Zhuoerhui and Xingshuangjian Investment, Fosun Health Holding and Zhuoye Health, pursuant to which Fosun Health will make capital contribution in cash in the amount of RMB30 million to subscribe for additional registered capital of the same amount in Shanghai Zhuoerhui, and the remaining shareholders of Shanghai Zhuoerhui will waive their respective preemptive rights in relation to such capital increase. Upon completion of the transactions under the capital increase agreement, the equity interest in Shanghai Zhuoerhui held by the Company through Fosun Health will increase from 57.5363% to 67.1872%, and Shanghai Zhuoerhui will remain a subsidiary of the Company.

   Xingshuangjian Investment and Fosun Health Holding are subsidiaries of Fosun High Tech, the controlling shareholder of the Company. Accordingly, Xingshuangjian Investment and Fosun Health Holding are associates of Fosun High Tech and connected persons of the Company. In addition, as Fosun High Tech, through Xingshuangjian Investment and Fosun Health Holding, holds a total of approximately 41.1502% equity interest in Shanghai Zhuoerhui, Shanghai Zhuoerhui is a connected subsidiary and hence a connected person of the Company. The transactions under the capital increase agreement therefore constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

2. As disclosed in the announcement of the Company dated 31 March 2025, on 31 March 2025, the Company entered into a share subscription agreement with International Finance Corporation ("**IFC**"), Asian Development Bank ("**ADB**") and United Health Insurance, pursuant to which each of the Company, IFC and ADB will contribute capital in the amount of RMB270 million (or equivalent in US dollars) in cash to subscribe for 105,468,750 new shares (corresponding to an additional registered capital of RMB105,468,750) in United Health Insurance, respectively. On the same day, the capital increase investors (including the Company) entered into a shareholders agreement with United Health Insurance and its relevant existing shareholders, and entered into a tag-along right agreement with United Health Insurance and Fosun Industrial Investment. Upon completion of the transactions under a share subscription agreement, the equity interest in United Health Insurance held by the Company will increase from 14.00% to 20.05%, and United Health Insurance will remain be accounted for as an associate of the Company.

   Fosun High Tech is the controlling shareholder of the Company and is therefore a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. In addition, as Fosun High Tech (through Fosun Industrial Investment) is interested in over 10% equity interest in United Health Insurance, it is therefore a substantial shareholder of United Health Insurance. As such, the transactions under the Share Subscription Agreement constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules.

3. As disclosed in the announcement of the Company dated 11 April 2025, on 11 April 2025, the Company entered into an equity transfer agreement with Fosun High Tech, Ms. Li Fan and Ms. Guan Xiaohui, pursuant to which the Company agreed to sell, and Fosun High Tech, Ms. Li Fan and Ms. Guan Xiaohui agreed to purchase, 29.00%, 25.90% and 0.10% equity interest in Shanghai Fujian for a cash consideration of RMB13,993,682, RMB12,497,806 and RMB48,254, respectively. Upon completion of the transactions under the equity transfer agreement, equity interest in Shanghai Fujian held by the Company will decrease from 100% prior to the transfer to 45%.

   Fosun High Tech is the controlling shareholder of the Company and Ms. Guan Xiaohui is an executive director of the Company, therefore, Fosun High Tech and Ms. Guan Xiaohui are connected persons of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. As such, the transactions under the equity transfer agreement constitute a connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

4. As disclosed in the announcement of the Company dated 25 April 2025, on 25 April 2025, Fosun Pingyao, the subsidiary of the Company, entered into a partnership agreement with Shanghai Fujian, Fosun High Tech, and Fuyao Zhigang in relation to, among others, the establishment of Henan Fujian. The total capital contribution of Henan Fujian shall be RMB10.00 million, of which RMB4.90 million shall be contributed by Fosun Pingyao (as a limited partner), RMB0.10 million shall be contributed by Shanghai Fujian (as the general partner), RMB2.90 million shall be contributed by Fosun High Tech (as a limited partner) and RMB2.10 million shall be contributed by Fuyao Zhigang (as a limited partner).

   Fosun High Tech is the controlling shareholder of the Company, thus, Fosun High Tech is a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under the partnership agreement constitute a connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

5. As disclosed in the announcement of the Company dated 29 April 2025, on 29 April 2025, Suzhou Junming, a subsidiary of the Company, entered into a partnership agreement with Henan Fujian, Yujian Biomedical and Zhengzhou Airport Capital in relation to, among others, the establishment of Henan Xingweilai Fund. The proposed fund-raising size of Henan Xingweilai Fund is RMB2,500 million, of which RMB490 million is proposed to be contributed by Suzhou Junming (as a limited partner) in cash, RMB10 million is proposed to be contributed by Henan Fujian (as the general partner) in cash, RMB1,500 million is proposed to be contributed by Yujian Biomedical (as a limited partner) in cash, and RMB500 million is proposed to be contributed by Zhengzhou Airport Capital (as a limited partner) in cash. Upon establishment, Henan Xingweilai Fund will become a joint venture of the Company.

   Henan Fujian, an associated entity of the Company, was included in the scope of subsidiary in the consolidated financial statements of Fosun High Tech, the controlling shareholder of the Company. Accordingly, Henan Fujian is an associate of Fosun High Tech and a connected person of the Company. Therefore, the transactions under the partnership agreement constitute a connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

6. As disclosed in the announcement of the Company dated 15 July 2025, on 15 July 2025, Ningbo Fuying, a subsidiary of the Company, entered into a renewed limited partnership agreement with Xingsheng Fuying and Suzhou Tianshi Parent Fund in relation to, among others, the proportional capital reduction of Suzhou Angel Fund, of which Xingsheng Fuying, Ningbo Fuying and Suzhou Tianshi Parent Fund reduced their subscribed capital contribution by RMB1.295455 million, RMB47.500000 million and RMB27.204545 million, respectively. Before and after the capital reduction, equity interests held by all partners in Suzhou Angel Fund remained unchanged and the subscribed equity interests of the Group in Suzhou Angel Fund amounted to 62.50%. As the equity interests of Suzhou Angel Fund involved in this capital reduction have been subscribed for but not yet paid up, the consideration for this capital reduction is RMB0. Suzhou Angel Fund is not required to pay the consideration for this capital reduction to the parties that will undergo capital reduction.

   Xingsheng Fuying, an associate of the Company and one of the parties that will undergo capital reduction, was included in the scope of subsidiary in the consolidated financial statements of Fosun High Tech, the controlling shareholder of the Company. Accordingly, Xingsheng Fuying is a connected person of the Company. Therefore, the transactions under the renewed limited partnership agreement constitute a connected transaction of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

(B) Non-exempt Continuing Connected Transactions

1. As disclosed in the announcement of the Company dated 29 August 2022, as well as the circular dated 31 October 2022, on 29 August 2022, the Company entered into a financial services agreement (the "**2023–2025 Financial Services Agreement**") with Fosun Finance (as service provider) to renew the financial services agreement expiring on 31 December 2022 for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

   As disclosed in the announcement of the Company dated 26 August 2025, as well as the circular dated 29 September 2025, as the 2023-2025 Financial Services Agreement would expire on 31 December 2025, the Company entered into a renewed financial services agreement with Fosun Finance on 26 August 2025, pursuant to which it is proposed that Fosun Finance shall continue to provide non-exclusive financial services to the Group, including comprehensive credit services, deposit services, settlement services, etc, for a term of three years commencing on 1 January 2026 and ending on 31 December 2028. Pursuant to the renewed financial services agreement, the annual caps of the maximum credit limit granted by Fosun Finance to the Group for its use, the maximum daily balance of deposits placed by the Group with Fosun Finance, and fees and charges paid by the Group to Fosun Finance for settlement services and other financial services for the full years of 2026, 2027 and 2028 are RMB2,000 million, RMB2,000 million and RMB1 million respectively.

As Fosun Finance is a subsidiary of Fosun High Tech, a controlling shareholder of the Company, Fosun Finance constitutes a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under the above financial services agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

2. As disclosed in the announcement of the Company dated 22 December 2022, on 22 December 2022, the Company and CQ Pharma Holdings entered into a mutual supply framework agreement ("**2022 CQ Pharma mutual supply framework agreement**") in relation to the supply of sales products and the purchase of procurement products, and the mutual provision of services between the Group and CQ Pharma Holdings and its subsidiaries for a term of three years commencing from 1 January 2023 and ending on 31 December 2025.

   As disclosed in the announcement of the Company dated 28 November 2025, since the 2022 CQ Pharma mutual supply framework agreement was to expire on 31 December 2025, the Company and CQ Pharma Holdings entered into a new mutual supply framework agreement on 28 November 2025 in relation to the supply of sales products and the purchase of procurement products, and the provision of services between the Group and CQ Pharma Holdings Group, for a term of three years commencing from 1 January 2026 to 31 December 2028. For the years ending 31 December 2026, 31 December 2027 and 31 December 2028, the annual caps for the sales transaction to be conducted by the Group under the new mutual supply framework agreement are RMB1,400 million, RMB1,700 million and RMB2,000 million, respectively; the annual caps for the purchases transaction to be conducted by the Group under the new mutual supply framework agreement are RMB50 million, RMB60 million and RMB72 million, respectively; the annual caps for the products promotion related services to be provided by the Group to the CQ Pharma Holdings under the new mutual supply framework agreement are RMB5 million, RMB6 million and RMB7.2 million, respectively; and the annual caps for the product warehousing, transportation and channel consulting related services to be accepted by the Group from the CQ Pharma Holdings under the new mutual supply framework agreement are RMB30 million, RMB36 million and RMB43.2 million, respectively.

   As CQ Pharma Holdings is a substantial shareholder of Yao Pharma, an indirect non-wholly-owned subsidiary of the Company, CQ Pharma Holdings constitutes a connected person of the Company at the subsidiary level pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under such mutual supply framework agreement constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

3. As disclosed in the announcement of the Company dated 11 December 2024, the Company entered into a lessee framework agreement ("**2025 Lessee Framework Agreement**") with Fosun International in relation to the lease of the relevant premises of Fosun International and/or its associates to the relevant members of the Group, as tenant, for a term of 1 year commencing from 1 January 2025 and ending on 31 December 2025. On the same date, the Company entered into a lessor framework agreement ("**2025 Lessor Framework Agreement**") with Fosun International in relation to the lease of the relevant premises of Fosun International and/or its associates by the relevant members of the Group, as lessor, for a term of 1 year commencing from 1 January 2025 and ending on 31 December 2025.

As disclosed in the announcement of the Company dated 28 November 2025, since the 2025 Lessee Framework Agreement was to expire on 31 December 2025, the Company and Fosun International entered into a new lessee framework agreement on 28 November 2025 to renew 2025 Lessee Framework Agreement for a term of 1 year commencing from 1 January 2026 and ending on 31 December 2026. On the same date, as the 2025 Lessor Framework Agreement was about to expire, the Company entered into a new lessor framework agreement with Fosun International to renew the 2025 Lessor Framework Agreement for a term of 1 year commencing from 1 January 2026 and ending on 31 December 2026. Pursuant to the new lessee framework agreement and the new lessor framework agreement, the annual caps under the new lessee framework agreement and the new lessor framework agreement for the fiscal year ending 31 December 2026 are RMB60 million and RMB8 million, respectively.

As Fosun International is a controlling shareholder of the Company, Fosun International constitutes a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under the aforesaid tenancy framework agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

4. As disclosed in the announcement of the Company dated 11 December 2024, on 11 December 2024, the Company and Fosun International entered into a mutual supply framework agreement (the "**2025 Fosun International Mutual Supply Framework Agreement**") in relation to the mutual supply of products and provision of services between the Group and Fosun International and/or its associates, for a term of 1 year commencing from 1 January 2025 and ending on 31 December 2025. As disclosed in the Company's announcement dated 28 October 2025, in order to satisfy the demand of further business development needs of the Group in the last quarter of 2025, where additional transactions will incur in relation to provision of services by Fosun International and/or its associates to the Group under the 2025 Fosun International Mutual Supply Framework Agreement, and for which the original annual cap for the services accepted by the Group from Fosun International and/or its associates is expected to be insufficient to fulfil the amount of relevant transactions that may take place under the 2025 Fosun International Mutual Supply Framework Agreement for the year ended 31 December 2025. Therefore, the Board proposes to adjust the annual cap for the services to be accepted by the Group from Fosun International and/or its associates during the year ended 31 December 2025 from RMB70 million to RMB90 million.

   As disclosed in the announcement of the Company dated 28 November 2025, as the 2025 Fosun International Mutual Supply Framework Agreement will expire on 31 December 2025, on 28 November 2025, the Company entered into a new mutual supply framework agreement with Fosun International to renew the 2025 Fosun International Mutual Supply Framework Agreement for a term of 1 year commencing from 1 January 2026 and ending on 31 December 2026. Pursuant to the new mutual supply framework agreement, during the year ending 31 December 2026, the annual cap for the Group to sale products to Fosun International and/or its associates is RMB30 million, while the annual cap for the Group to purchase products from Fosun International and/or its associates is RMB25 million. The annual cap for the Group to provide services to Fosun International and/or its associates is RMB50 million, and the annual cap for the services to be accepted by the Group from Fosun International and/or its associates is RMB100 million.

   As Fosun International is a controlling shareholder of the Company, Fosun International constitutes a connected person of the Company pursuant to Rule 14A.07 of the Hong Kong Listing Rules. Therefore, the transactions under such mutual supply framework agreements constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

The Company has complied and will continue to comply with relevant requirements pursuant to Chapter 14A of the Hong Kong Listing Rules in respect of connected transactions, including, among others, conducting an annual review of the continuing connected transactions.

Certain details of the continuing connected transactions during the year ended 31 December 2025 are summarized in the table below.

Connected persons	Type of the Transactions	Actual amount of the Transactions 2025 RMB	Annual cap for the Transactions 2025 RMB
Fosun International and its associates	Leasing of premises and receiving property management services by the Group from Fosun International and its associates (Short-term leases/Low-value leases)	40,067,355	80,000,000
	Leasing of premises and provision of property management services by the Group to Fosun International and its associates (Short-term leases/Low-value leases)	1,263,134	10,000,000
		41,330,489	**90,000,000**

Connected persons	Type of the Transactions	Actual amount of the Transactions 2025 RMB	Annual cap for the Transactions 2025 RMB
Fosun International and its associates	The Group's acceptance of the services provided by Fosun International and its associates	81,015,040	90,000,000
	Purchase of products by the Group from Fosun International and its associates	9,313,594	30,000,000
	Provision of services by the Group to Fosun International and its associates	13,851,388	70,000,000
	Sales of products by the Group to Fosun International and its associates	10,153,943	35,000,000
		114,333,965	**225,000,000**

Connected persons	Type of the Transactions	Actual amount of the Transactions 2025 RMB	Annual cap for the Transactions 2025 RMB
Fosun Finance	Provision of financial services by Fosun Finance to the Group:		
	(a) Maximum daily amount of the credit facility granted by Fosun Finance to the Group	1,915,295,502	2,000,000,000
	(b) Maximum daily balance of deposits placed by the Group with Fosun Finance	1,833,641,410	2,000,000,000
	(c) Fees and charges paid by the Group to Fosun Finance for settlement services and other financial services	—	1,000,000

Connected persons	Type of the Transactions	Actual amount of the Transactions 2025 RMB	Annual cap for the Transactions 2025 RMB
CQ Pharma Holdings	Sales of products by the Group to CQ Pharma Holdings and its subsidiaries	918,633,679	2,500,000,000
	Purchase of products by the Group from CQ Pharma Holdings and its subsidiaries	33,396,120	576,000,000
	The provision of services by the Group to CQ Pharma Holdings and its subsidiaries	—	7,200,000
	The Group's acceptance of the services provided by CQ Pharma Holdings and its subsidiaries	2,551,496	28,800,000
		954,581,295	**3,112,000,000**

The Board (including independent non-executive Directors) has reviewed the continuing connected transactions as described above and confirmed that in 2025, such transactions have been entered into:

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

(ii) on normal commercial terms or better; and

(iii) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

The auditors of the Company issued a letter to the Board, confirming (among which) in respect of the continuing connected transactions as mentioned above:

1. nothing has come to their attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Board;

2. for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes the auditors to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

3. nothing has come to their attention that causes the auditors to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

4. nothing has come to their attention that causes the auditors to believe that the disclosed continuing connected transactions have exceeded the maximum aggregate annual cap.

RELATED PARTY TRANSACTIONS

During the Reporting Period, the Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of the related party transactions entered into by the Group during the Reporting Period are disclosed in note 45 to the financial statements. Save as disclosed in the paragraph headed "Connected Transactions" in this report, the related party transactions disclosed in note 45 were not regarded as connected transactions or were exempt from reporting, announcement and shareholders' approval requirements under the Hong Kong Listing Rules.

NON-COMPETITION UNDERTAKING

The independent non-executive Directors have reviewed all the matters, if any, relating to the enforcement of the Deed of Non-Competition. Fosun International Holdings, Fosun Holdings, Fosun International, Fosun High Tech, Mr. Guo Guangchang and Mr. Wang Qunbin have provided the Company with an annual declaration of compliance with the provisions of the Deed of Non-Competition.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events of the Group after the Reporting Period are set out in note 51 to the financial statements.

USE OF PROCEEDS

Pursuant the "Approval in relation to the Non-public Issuance of Shares by Shanghai Fosun Pharmaceutical (Group) Co., Ltd." by the CSRC (Zheng Jian Xu Ke [2021] No. 2501), the Company completed the issuance of 106,756,666 new A Shares (with a nominal value of RMB1.00 per share) in July 2022. The issuance price of the 2022 Non-public Issuance of A Shares was RMB42.00 per share, and the total amount of proceeds raised was RMB4,483.78 million. The net amount of the aforementioned total proceeds after deducting the issuance expenses was RMB4,456.20 million.

Regarding the net proceeds raised from the 2022 Non-public Issuance of A Shares, RMB220.87 million had been utilized during the Reporting Period, and an aggregate of RMB4,460.63 million had been utilized as at the end of the Reporting Period. The aggregated utilization details as at the end of the Reporting Period are as follows:

Unit: million Currency: RMB

Project name	Proposed investment amount from the proceeds after adjustment[Note 1]	Actual accumulated amount of the proceeds invested as at 31 December 2025
Innovative drug clinical, license-in and relevant marketing preparation	2,067.62	2,072.05[Note 2]
Intensive comprehensive base for APIs and preparations	1,156.16	1,156.16
Replenishment of working capital	1,232.42	1,232.42
Total	**4,456.20**	**4,460.63**[Note 2]

Note: Any discrepancies between totals and sums of figures listed in the above table are due to rounding.

Note 1: To accelerate the development of innovative drugs and enhance the efficiency of proceeds utilization, in conjunction with the implementation progress of the Group's innovative R&D projects, as approved by the first extraordinary general meeting of 2023 of the Company held on 13 October 2023, it was agreed to reallocate the remaining RMB193.14 million in proceeds originally earmarked for the 2022 Non-public Issuance fundraising project "Intensive comprehensive base for APIs and preparations" to another fundraising project "Innovative drug clinical, license-in and relevant marketing preparation". The adjusted fundraising investment amount for the "Intensive comprehensive base for APIs and preparations" project is RMB 1,156.16 million.

Note 2: As of the end of the Reporting Period, the cumulative amount of proceeds invested included interest income of RMB4.43 million from the dedicated proceeds account.

As at 31 December 2025, the net proceeds raised from the Non-public Issuance have been fully utilized, with a remaining balance of RMB0. The usage of the proceeds aligns with the Company's previously disclosed plans.

THE MODEL CODE AND THE WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix C3 to the Hong Kong Listing Rules in respect of directors' securities transactions and has established Written Guidelines as a code of conduct for conducting securities transactions. Having made specific enquiry of the Directors, all the Directors have confirmed that they have complied with the standards as set out in the Model Code and the Written Guidelines regarding directors' securities transactions throughout the Reporting Period.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group must comply with a number of laws and regulations, which mainly include the PRC Company Law, the Civil Code of the PRC, the Drug Administration Law of the PRC, and exchange rules of listing places of the Company's shares, such as the Hong Kong Listing Rules and the Shanghai Listing Rules, as well as other applicable regulations, policies and regulatory legal documents promulgated pursuant to the aforementioned laws, regulations and rules.

Through various measures such as internal control, compliance management, business approval procedures and employee training, the Group ensures the compliance with applicable laws, regulations, and regulatory legal documents (especially those that have significant impact on the main business). Whenever there are any changes to the applicable laws, regulations, and regulatory legal documents, the Group will notify the relevant employees and the operating team from time to time.

During the Reporting Period, as far as the Directors were aware, there was no breach or non-compliance with the relevant laws and regulations by the Group which would have a material impact on the Group.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group complied with the Environmental Protection Law of the PRC, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution and other relevant laws and regulations of the place where it operates. For details on environmental policies and performance, please refer to the "2025 Environment, Society and Governance (ESG) and Sustainability Report" of the Company.

AUDIT COMMITTEE

As at the end of the Reporting Period, the Audit Committee of the Board comprised independent non-executive Directors Mr. Yang Yucheng (chairman), Mr. Wang Quandi and Mr. Chen Penghui.

The main duties of the Audit Committee are to review and monitor the financial reporting procedures and internal control system of the Group, and to provide recommendations and advice to the Board. The Audit Committee of the Company has reviewed the 2025 annual results of the Group.

AUDITOR

The consolidated financial statements of the Group have been audited by Ernst & Young.

A resolution for re-appointing Ernst & Young as the auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On Behalf of the Board
Chen Yuqing
Chairman

Shanghai, PRC
24 March 2026

Corporate Governance Report

The Board hereby presents to the Shareholders the corporate governance report of the Group for the year ended 31 December 2025 (the "**Corporate Governance Report**").

CORPORATE GOVERNANCE PRACTICES

As a company whose shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, the Company has strictly complied with relevant regulations, the Hong Kong Listing Rules, the Shanghai Listing Rules and the Articles of Association. The Company is committed to continuously improving its corporate governance structure, and optimizing its internal management and control and its business operation.

The Board believes that high corporate governance standards are essential in safeguarding the interests of Shareholders and to enhance corporate value, transparency and accountability, as well as the formulation of corporate business strategy and policy outline.

The Company's corporate governance practices are based on the principles and Code Provisions as set out in the CG Code contained in Appendix C1 to the Hong Kong Listing Rules.

The Board is of the view that throughout the Reporting Period, the Company had complied with all the applicable code provisions as set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Hong Kong Listing Rules and formulated the Written Guideline as its code of conducting securities transactions.

Upon specific enquiries, all the Directors have confirmed that they had complied with the Model Code and the Written Code throughout the Reporting Period.

No incident of non-compliance of the Written Code by the Directors and relevant employees is noted by the Company.

BOARD OF DIRECTORS

As at the end of the Reporting Period, the Board constituted twelve members, including five executive Directors, two non-executive Directors, four independent non-executive Directors and one employee Director.

The composition of the Board is as follows:

Executive Directors:

Mr. Chen Yuqing (陳玉卿) *(Chairman)*[1]
Ms. Guan Xiaohui (關曉暉) *(Co-Chairman)*[2]
Mr. Wen Deyong (文德鏞) *(Vice Chairman)*[3]
Mr. Wang Kexin (王可心)[4]
Mr. Liu Yi (劉毅) *(Chief Executive Officer)*[5]

Non-executive Directors:

Mr. Chen Qiyu (陳啟宇)
Mr. Pan Donghui (潘東輝)

Independent non-executive Directors:

Mr. Yu Tze Shan Hailson (余梓山)
Mr. Wang Quandi (王全弟)
Mr. Chen Penghui[6]
Mr. Yang Yucheng (楊玉成)[6]

Employee Director:

Ms. Yan Jia (嚴佳)[6]

Notes:

1 Mr. Chen Yuqing was appointed as the chairman of the Company and redesignated from a non-executive Director to an executive Director on 29 April 2025.

2 Ms. Guan Xiaohui was redesignated from vice chairman to co-chairman of the Company on 29 April 2025.

3 Mr. Wen Deyong was appointed as vice chairman on 29 April 2025 and retired as chief executive officer on 24 June 2025.

4 Mr. Wang Kexin resigned as co-chairman on 29 April 2025.

5 Mr. Liu Yi was appointed as the chief executive officer of the Company on 24 June 2025, and was appointed as an executive Director on 2 December 2025.

Mr. Liu Yi has obtained the legal advice as at 2 December 2025 referred to in Rule 3.09D of the Hong Kong Listing Rules and confirms that he understands all the obligations under the Hong Kong Listing Rules that are applicable to him as a director of a listed company and the consequences that may arise if he makes a false statement or provides false information to the Hong Kong Stock Exchange.

6 At the AGM held on 24 June 2025, Mr. Chen Yuqing, Ms. Guan Xiaohui, Mr. Wen Deyong and Mr. Wang Kexin were re-elected by the Shareholders as the executive Directors; Mr. Chen Qiyu, Mr. Pan Donghui and Mr. Wu Yifang were re-elected as the non-executive Directors; Mr. Yu Tze Shan Hailson and Mr. Wang Quandi were re-elected as the independent non-executive Directors; and Mr. Chen Penghui and Mr. Yang Yucheng were elected as the independent non-executive Directors. The aforementioned Directors re-elected and elected at the AGM, together with Ms. Yan Jia, an employee Director elected at the employee representative meeting of the Company, jointly form the tenth session of the Board.

Mr. Chen Penghui and Mr. Yang Yucheng on 25 April 2025, and Ms. Yan Jia on 10 June 2025, have each obtained the legal advice referred to in Rule 3.09D of the Hong Kong Listing Rules and confirms that he understands all the obligations under the Hong Kong Listing Rules that are applicable to him as a director of a listed company and the consequences that may arise if he makes a false statement or provides false information to the Hong Kong Stock Exchange.

Mr. Wu Yifang resigned as the chairman on 29 April 2025 and was re-designated from an executive Director to a non-executive Director with effective on the same day; he resigned as a non-executive Director on 30 September 2025.

On 24 June 2025, Mr. Xu Xiaoliang retired as a non-executive Director, and Ms. Li Ling and Mr. Tang Guliang retired as independent non-executive Directors.

Biographical information of the Directors is set out on pages 128 to 132 of this report.

The members of the Board do not have any relationship, including financial, business, family or other material or relevant relationship, with each other.

Chairman of the Board and Chief Executive Officer of the Company

Mr. Wu Yifang served as the chairman of the Company from the beginning of the Reporting Period to 29 April 2025. Mr. Chen Yuqing has served as the chairman since 29 April 2025.

Mr. Wen Deyong served as the chief executive officer of the Company from the beginning of the Reporting Period to 24 June 2025. Mr. Liu Yi has served as the chief executive officer since 24 June 2025.

The chairman provides leadership and is responsible for the effective functioning of the Board. The chief executive officer generally focuses on the business development and daily management and operation of the Group. Their respective duties have been clearly defined in written form.

Independent Non-executive Directors

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

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with Rule 3.13 of the Hong Kong Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment, Removal and Re-election of Directors

Directors shall have a term of office of three years and shall be entitled to be re-appointed when the term of office expires provided that the term of office of independent non-executive Directors shall not exceed six years. The Company has entered into a service contract with each executive Director, and a letter of appointment with each non-executive Director, employee Director, and independent non-executive Director for a term of three years of each session (unless otherwise required by relevant laws and regulations). The appointment and removal of non-employee Directors shall be approved by Shareholders in the general meeting.

Responsibilities, Accountabilities and Contributions of the Board and the Management

The Board is responsible for leading and overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the development of the Group by directing and supervising its affairs. Directors shall make decisions objectively in the interests of the Company.

All Directors have brought their extensive and valuable business experience, knowledge and professionalism to the Board for its efficient and effective operation.

All Directors have timely access to all the information of the Group as well as the services and advice from the joint company secretaries and senior management to ensure independent views and input are available to the Board. The Directors may also, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

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

Continuous Professional Development of Directors

Directors shall keep abreast of responsibilities as a director and of the conduct, business activities and developments of the Group, and make use of various channels to participate in trainings in respect of operations of listed companies and continuously enhance their performance capabilities, including but not limited to various types of special training/forums and continuous professional development courses, as well as the implementation briefings of regulatory communications/listing rules published by each stock exchange where the Company is listed. All Directors are encouraged to attend relevant training courses at the Company's expense.

Every newly appointed Director will receive formal, comprehensive and tailored induction when he/she was first appointed to ensure appropriate understanding of the business and operations of the Group and full awareness of his/her responsibilities and obligations under the Hong Kong Listing Rules and relevant laws and regulations.

According to the records maintained by the Company, all Directors had participated in a continuous professional development program during the Reporting Period in order to refresh their knowledge and skills. For the year ended 31 December 2025, all Directors received training with an emphasis on the roles, functions and duties as a director of a listed company in compliance with the code provisions relating to continuous professional development under the CG Code. In addition, relevant training, reading materials and legal and regulatory updates have been provided to the Directors for their reference and studying. The continuous professional development records of the Directors for the year ended 31 December 2025 are set out in the table on page 121 of this report.

BOARD COMMITTEES

As at the end of the Reporting Period, the Board had established five committees, namely, Strategic Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and ESG Committee, for overseeing all aspects of the Group's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website (https://www.fosunpharma.com) and the Hong Kong Stock Exchange's website (https://www.hkexnews.hk) and are available to Shareholders upon request.

The majority of the members of each Board committee (except the Strategic Committee) are independent non-executive Directors, and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 of this report.

Strategic Committee

The primary responsibilities of the Strategic Committee are to research and advise on the strategic planning of the Group's medium and long-term development and major issues affecting the Group's development, and to approve research reports on development strategy.

During the Reporting Period, the Strategic Committee held 1 meeting to research and advise on the strategic planning of the Group's 2025–2035 period and medium and long-term development.

Audit Committee

The principal duties of the Audit Committee are to assist the Board to review the financial information and periodic reports, to review and monitor internal control procedures and its risk management system, to review and monitor the effectiveness of the internal audit function, to review and inspect the appointment and removal of external auditors, to formulate and review the Company's corporate governance and practices, to supervise the conduct of directors and senior management in the performance of their duties, to propose resolutions to the shareholders' meetings, and to make recommendations on the above matters.

During the Reporting Period, the Audit Committee held 10 meetings to review periodic reports and results announcements, audit plan, internal control implementation, major and ongoing related party/connected transactions, and the Group's Code of Business Ethics and its implementation, the appointment of the Chief Financial Officer, and other matters, while providing recommendations to the Group on strengthening the internal control system.

During the Reporting Period, the Audit Committee also held 2 meetings with the external auditors without the presence of the executive Directors.

Nomination Committee

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of directors and senior management, making recommendations to the Board on the appointment and succession planning of directors and senior management, assessing the independence of independent non-executive Directors and reviewing the training and continuous professional development of Directors and senior management.

The Board has adopted a Director nomination policy, setting out the standards and procedures for nomination and appointment of directors, to ensure the members of the Board have the skills, knowledge, experience and diversity that meet the business requirements of the Group and to ensure the continuity of the Board and maintain its leadership, for the nomination of candidates for directorship of the Company by making reference to the skills, experience, professional knowledge and qualification, personal integrity and time commitments of such individuals, the Group's needs and other relevant statutory requirements and regulations.

During the Reporting Period, the Nomination Committee held 5 meetings to discuss, review and make recommendations to the Board on matters relating to the candidates for the tenth session of the Board, as well as the selection and/or re-appointment of Directors and senior management of the Company. During the Reporting Period, the Nomination Committee reviewed and evaluated the structure, size, and composition of the Board, and considered that an appropriate balance of diversity of the Board had been maintained.

Remuneration and Appraisal Committee

The primary duties of the Remuneration and Appraisal Committee include formulating, reviewing and making recommendations to the Board on the remuneration policy and structure for Directors and senior management, reviewing the performance of duties by Directors and senior management as well as reviewing their annual performance appraisal and remuneration packages.

During the Reporting Period, the Remuneration and Appraisal Committee held 4 meetings to review the implementation of performance appraisal and remuneration packages of the Directors and senior management of the Company during the prior year and the appraisal plan for the current year, to discuss and review the matters related to the repurchase and cancellation of restricted A Shares under the Restricted A Share Incentive Scheme and the forfeiture of units under the H Share Employee Share Ownership Scheme, to review 2025 A Share Option Scheme and 2025 H Share RSU Scheme and grants thereunder, and to make recommendations to the Board. The Remuneration and Appraisal Committee is of the view that the 2025 A Share Option Scheme and 2025 H Share RSU Scheme adopted by the Company during the Reporting Period have contributed to promoting the establishment and improvement of the incentive and restraint mechanism of the Group, fully mobilize the enthusiasm of the executive Directors, employee Directors, senior management, and employees of the Group. This aligns the interests of the Company and Shareholders with the interests of the participants, thereby driving the long-term development of the Group.

ESG Committee

The primary duties of the ESG Committee include formulating the ESG vision, targets, strategies and structure and reviewing the implementation of the ESG vision, strategies and structure, evaluating the external and internal impacts of ESG efforts, obtaining feedbacks on ESG efforts from internal and external consultants or experts, reviewing the reports on relevant results, reviewing the progress of the fulfillment of ESG goals, and making recommendations on the improvement for ESG efforts in the next phase.

During the Reporting Period, the ESG Committee held 2 meetings to review the 2024 ESG and Sustainability Report and the working plan for the 2025 ESG and Sustainability Report of the Group, with review content covering matters such as sustainable development, ESG strategies and goals and their implementation, the list of material issues, stakeholder engagement, relevant ESG focuses, and report preparation, and make recommendations to the Board.

Independent Non-Executive Director Special Meeting Mechanism

The primary duties of the independent non-executive Directors (the "**INED Special Committee**") include independently engaging intermediary institutions to conduct audits, consultations, or verifications on specific matters, and reviewing notifiable connected/related party transactions, etc.

During the Reporting Period, the INED Special Committee held 12 meetings to review notifiable connected/related party transactions, thereby promoting the Group's standardized operations and protecting Shareholders' interests.

CORPORATE GOVERNANCE RESPONSIBILITIES

The Board is responsible for performing the functions as set out in Code Provision A.2.1 of the CG Code to ensure that the Company has established comprehensive corporate governance practices and procedures. During the Reporting Period, the Board:

(1) established (modified) and reviewed the corporate governance policies and practices of the Company as well as made relevant recommendations;

(2) reviewed and monitored the training and continuous professional development of the Directors and senior management;

(3) reviewed and monitored the policies and practices of the Company regarding the compliance of relevant legal and regulatory requirements;

(4) established (modified), reviewed and monitored the code of conduct for Directors and employees; and

(5) reviewed as to whether the Company has complied with the CG Code and made disclosures in the Corporate Governance Report.

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The attendance record of each Director at the Board meetings and Board committee meetings of the Company held for the year ended 31 December 2025 is set out in the table below:

	Attendance/Number of Meetings							
Name of Directors	Board	Strategic Committee	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	ESG Committee	General Meeting[1]	Continuous Professional Development
Executive Directors								
Mr. Chen Yuqing[2]	33/33	1/1(C)				1/1(M)	5/5	✓
Ms. Guan Xiaohui[3]	33/33			2/2(M)		2/2(M)	5/5	✓
Mr. Wen Deyong	33/33						5/5	✓
Mr. Wang Kexin	33/33	1/1(M)					3/5	✓
Mr. Liu Yi[4]	4/4						0/0	✓
Non-executive Directors								
Mr. Chen Qiyu	33/33	1/1(M)			4/4(M)		3/5	✓
Mr. Pan Donghui	33/33			5/5(M)	4/4(M)		3/5	✓
Mr. Xu Xiaoliang[5]	14/14	0/0(M)					0/3	✓
Mr. Wu Yifang[6]	24/24	0/0(C)				1/1(M)	3/3	✓
Independent Non-executive Directors								
Mr. Yu Tsz Shan Hailson[7]	33/33			2/2(M)	2/2(C) 2/2(M)	2/2(C)	5/5	✓
Mr. Wang Quandi[8]	33/33		10/10(M)	5/5(C)	2/2(M)	2/2(M)	5/5	✓
Mr. Chen Penghui[9]	19/19	1/1(M)	6/6(M)	2/2(M)	2/2(C)		2/2	✓
Mr. Yang Yucheng[10]	19/19		6/6(C)		2/2(M)	1/1(M)	2/2	✓
Ms. Li Ling[11]	14/14	0/0(M)	4/4(M)	3/3(M)		1/1(M)	3/3	✓
Mr. Tang Guliang[12]	14/14		4/4(C)		2/2(M)		3/3	✓
Employee Director								
Ms. Yan Jia[13]	19/19						2/2	✓

Notes:

(1) During the Reporting Period, the Company held a total of 5 general meetings, including 1 annual general meeting, 2 extraordinary general meeting, 1 A Shareholders class meeting and 1 H Shareholders class meeting.

(2) Mr. Chen Yuqing was appointed as the chairman of the Strategic Committee and a member of the ESG Committee on 24 June 2025. During the Reporting Period, he was required to attend 1 meeting of the Strategic Committee and attended 1 meeting of the ESG Committee meeting.

(3) Ms. Guan Xiaohui was appointed as a member of the Nomination Committee on 24 June 2025. During the Reporting Period, she was required to attend 2 meetings of the Nomination Committee.

(4) Mr. Liu Yi was appointed as an executive Director on 2 December 2025. During his term of office in the Reporting Period, he was required to attend 4 Board meetings and attended 1 general meeting.

(5) Mr. Xu Xiaoliang resigned as a non-executive Director of the Company and ceased to serve as a member of the Strategic Committee with effect from 24 June 2025. During his term of office in the Reporting Period, he was required to attend 14 Board meetings, 0 meeting of the Strategic Committee and 3 general meetings/class general meetings.

(6) Mr. Wu Yifang ceased to serve as a member and the chairman of the Strategic Committee, and as a member of the ESG Committee with effect from 24 June 2025 and resigned as a non-executive Director of the Company on 30 September 2025. During his term of office in the Reporting Period, he was required to attend 24 Board meetings, 0 meeting of the Strategic Committee, 1 meeting of the ESG Committee and 3 general meetings/class general meetings.

(7) Mr. Yu Tsz Shan Hailson was appointed as a member of the Nomination Committee on 24 June 2025 and ceased to serve as the chairman of the Remuneration and Appraisal Committee with effect from 24 June 2025, but still remained as a member of the Remuneration and Appraisal Committee. During the Reporting Period, he was required to attend 2 meetings of the Nomination Committee and 4 meetings of the Remuneration and Appraisal Committee.

(8) Mr. Wang Quandi ceased to serve as a member of the Remuneration and Appraisal Committee with effect from 24 June 2025. During the Reporting Period, he was required to attend 2 meetings of the Remuneration and Appraisal Committee.

(9) Mr. Chen Penghui was appointed as an independent non-executive Director at the annual general meeting of the Company held on 24 June 2025, and was appointed as a member of the Strategic Committee, a member of the Audit Committee, a member of the Nomination Committee, and the chairman of the Remuneration and Appraisal Committee. During his term of office in the Reporting Period, he was required to attend 19 Board meetings and attended 1 meeting of the Strategic Committee, 6 meetings of the Audit Committee, 2 meetings of the Nomination Committee, 2 meetings of the Remuneration and Appraisal Committee and 2 general meetings.

(10) Mr. Yang Yucheng was appointed as an independent non-executive Director at the annual general meeting of the Company held on 24 June 2025, and was appointed as the chairman of the Audit Committee, a member of the Remuneration and Appraisal Committee, and a member of the ESG Committee. During his term of office in the Reporting Period, he was required to attend 19 Board meetings and attended 6 meetings of the Audit Committee, 2 meetings of the Remuneration and Appraisal Committee, 1 meeting of the ESG Committee and 2 general meetings.

(11) Ms. Li Ling resigned as an independent non-executive Director of the Company and ceased to serve as a member of the Strategic Committee, a member of the Audit Committee, a member of the Nomination Committee and a member of the ESG Committee with effect from 24 June 2025. During her term of office in the Reporting Period, she was required to attend 14 Board meetings and attended 0 meeting of the Strategic Committee, 4 meetings of the Audit Committee, 3 meetings of the Nomination Committee, 1 meeting of the ESG Committee and 3 general meetings/class general meetings.

(12) Mr. Tang Guliang resigned as an independent non-executive Director of the Company and ceased to serve as a member and the chairman of the Audit Committee and a member of the Remuneration and Appraisal Committee with effect from 24 June 2025. During his term of office in the Reporting Period, he was required to attend 14 Board meetings and attended 4 meetings of the Audit Committee, 2 meetings of the Remuneration and Appraisal Committee and 3 general meetings/class general meetings.

(13) Ms. Yan Jia was appointed as an employee Director with effect from 24 June 2025. During her term of office in the Reporting Period, she was required to attend 19 Board meetings and 2 general meetings.

(14) (C) — Chairman of the committee; (M) — Committee member.

During the year ended 31 December 2025, the Company convened a meeting among the chairman and independent non-executive Directors only without the presence of other Directors.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2025. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 138 to 142.

AUDITORS' REMUNERATION

The remuneration paid to the external auditors of the Company in respect of audit services for the annual report for the year ended 31 December 2025 amounted to RMB4.66 million. There is no remuneration paid to external auditors in respect of significant non-audit services.

INTERNAL CONTROL

The Board, particularly the Audit Committee, is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and interests of shareholders of the Company, and reviewing and monitoring the effectiveness of the Group's internal control and risk management systems on a regular basis in order to ensure that the internal control and risk management systems in place are adequate. The Company conducts reviews of the effectiveness of the internal control systems on a regular basis in order to ensure that they are able to satisfy and deal with different scenarios and the dynamic business environment.

During the Reporting Period, the Board and the Audit Committee, conducted annual review of the effectiveness on the internal control system of the Group, including review of all the Group's material controls, including financial operations and compliance controls and risk management functions, as well as review of the adequacy of accounting, internal audit, financial reporting functions, as well as resources, staff qualifications and experience, training programs and budget relating to the Group's ESG performance and reporting.

Through years of optimization, the Group proactively promoted the continuous improvement of internal control management system in terms of internal environment, risk assessment, activity control, information and communication, as well as internal supervision. Meanwhile, through internal inspection and supervision, communication and feedback, the Group can ensure the effective implementation of relevant administrative rules, smooth communication of feedback received, discovery of defaults and timely rectification. During the Reporting Period, the Group has maintained effective internal control in accordance with rules under laws and regulations and requirements of internal control. Operations were conducted normally, orderly and effectively.

In respect of the procedures for handling and announcement of inside information and internal control measures, the Company is required to disclose inside information as soon as reasonably practicable in accordance with the SFO and the Hong Kong Listing Rules; strictly follow the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in handling its affairs; the Company has also adopted the Management System for Person Accessing to Inside Information, aiming to further regulate the management of inside information and person accessing to inside information.

The Board believes that existing internal control system was adequate and effective during the Reporting Period.

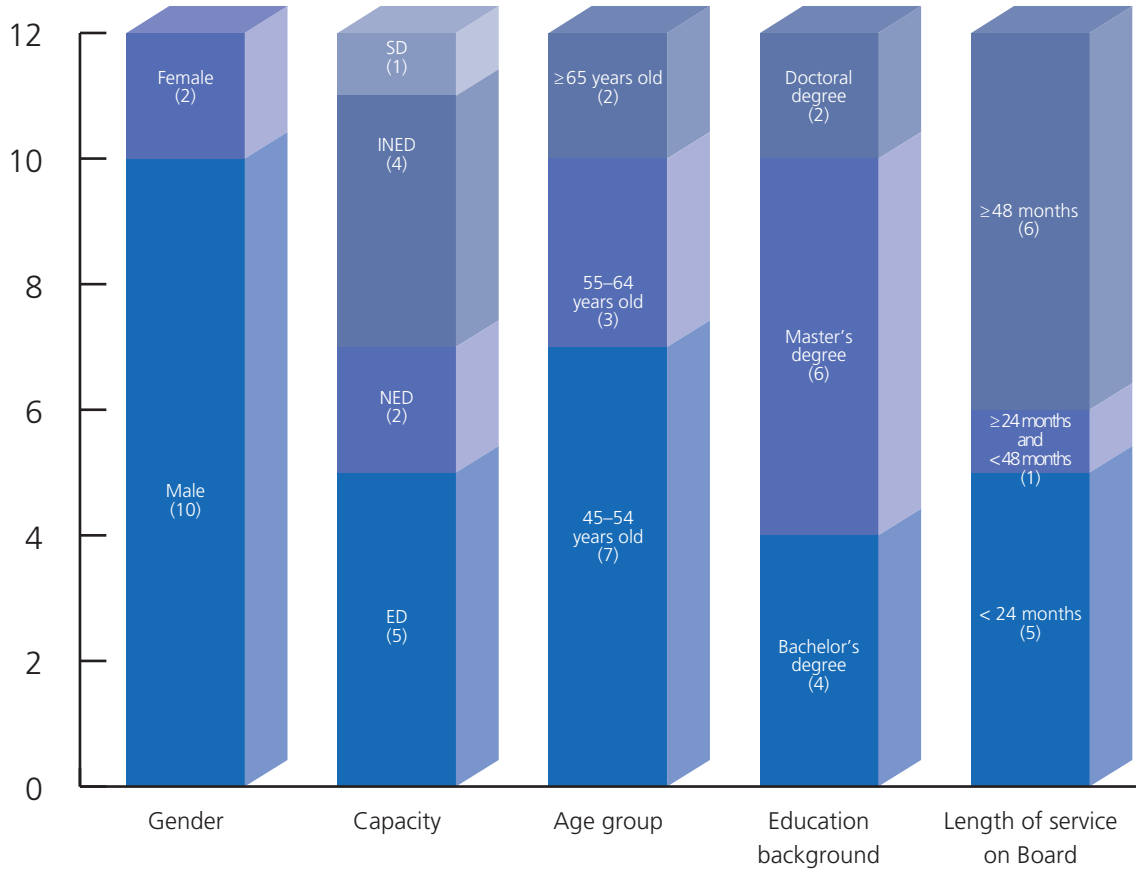
JOINT COMPANY SECRETARIES

As at the end of the Reporting Period, Ms. Dong Xiaoxian and Ms. Chan Sau Ling of Tricor Services Limited, an external service provider, were the joint company secretaries of the Company. The primary contact person for Ms. Chan Sau Ling was Ms. Dong Xiaoxian, who was a vice president, secretary to the Board and a joint company secretary of the Company. During the Reporting Period, both Ms. Dong Xiaoxian and Ms. Chan Sau Ling attended no less than 15 hours of professional training.

DIVERSITY

Board Diversity

The Company adopted the Board Diversity Policy, which has been made available on the Company's website (https://www.fosunpharma.com). The Nomination Committee, in nominating and appointing new Board members, shall consider a range of diversity perspectives pursuant to the Policy, including but not limited to gender, age, culture and educational background, professional experience, skills, knowledge and term of service, and make the final decision based on the merits and contribution that the candidate will bring to the Board. When nominating a successive and new director, the Nomination Committee will also adopt measures, including taking into consideration of the gender of the former director and successive director, to ensure the gender diversity of the Board. The Nomination Committee will review this policy from time to time with a view to ensuring its continued effectiveness. The Nomination Committee believes that, during the Reporting Period, the Company took into account factors such as gender, age, cultural and educational background, professional experience, skills, and knowledge when selecting director candidates, and that relevant diversity factors have been basically incorporated into the composition of the Board. An analysis of the Board's diversity as at the end of the Reporting Period is set out as follows:



Employee Diversity

The Company also adopted the Diversity Policy of Employees to protect employees free from race, color, gender, religion, nationality, disability, marital status, retirement status, sexual orientation, gender identity or other legally protected status in the search for employment, compensation, and advancement. The table below sets forth the gender breakdown and number of the Company's senior management and the Group's employees as of the end of the Reporting Period:

	Female (ratio/number)	Male (ratio/number)
Senior management[Note]	40.00% (6)	60.00% (9)
Overall workforce	51.19% (20,786)	48.81% (19,817)
Overall workforce (excluding senior management)	51.20% (20,780)	48.80% (19,808)

Note: Including one director who also serves as a member of the senior management.

In order to ensure the diversity of the Board and employees, the Group has taken relevant diversity factors (including gender diversity) into account when appointing directors, selecting senior management or recruiting employees. Subsequently, the Group will continue to focus on the diversity within the Board, senior management, and its workforce. The Board is of the view that as at the end of the Reporting Period, the Group and the Board had achieved gender diversity among its directors and employees.

RIGHTS OF SHAREHOLDERS

To safeguard the interests and rights of the Shareholders, a separate resolution is proposed for each substantially separate issue at the shareholders' general meetings, including the election of individual Directors. All resolutions put forward at the shareholders' general meetings will be voted on by poll pursuant to the Hong Kong Listing Rules except where the chairman of the meeting, in good faith, decides to allow a resolution which relates merely to a procedural or administrative matter to be voted on by a show of hands, and poll results will be posted on the website of the Company (https://www.fosunpharma.com) and the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk) after each the shareholders' general meeting.

(1) Shareholder's Requests to Convene an Extraordinary General Meeting

Pursuant to Article 67 of the Articles of Association, if Shareholders require the convening of an extraordinary general meeting or a class general meeting, the following procedures shall be followed:

(i) Shareholder(s) individually or jointly holding more than ten percent (10%) of the Company's shares shall have the right to make a request to the Board for the holding of an extraordinary general meeting, which request shall be in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees that an extraordinary general meeting should be held within ten (10) days after receipt of such request.

(ii) If the Board agrees to convene an extraordinary general meeting, it shall serve a notice of such shareholders' general meeting within five (5) days after the resolution has been made by the Board. Any change to the original proposal set forth in the notice shall be subject to approval by the relevant Shareholders.

(iii) If the Board does not agree to convene an extraordinary general meeting or fails to give a written reply within ten (10) days after receipt of the request, the Shareholder(s) individually or jointly holding more than ten percent (10%) of shares of the Company shall have the right to request the Audit Committee to convene an extraordinary general meeting, and shall put forward such request to the Audit Committee in writing.

(iv) If the Audit Committee agrees to convene an extraordinary general meeting, it shall serve a notice of such shareholders' general meeting within five (5) days after receipt of the said request. In the event of any change to the original request set forth in the notice, the consent of the relevant Shareholders shall be obtained.

(v) If the Audit Committee fails to serve the notice of such shareholders' general meeting within the prescribed period, it shall be deemed as having failed to convene and preside over the shareholders' general meeting, and the Shareholder(s) individually or jointly holding more than ten percent (10%) of the shares of the Company for over ninety (90) consecutive days may convene and preside over the meeting on their own, the procedures for convening such meeting shall follow those for convening a shareholders' general meeting by the Board as closely as practicable.

(vi) When the Shareholders convene a shareholders' general meeting as the Board has failed to convene the meeting pursuant to the aforesaid provision, the reasonable expense incurred shall be borne by the Company and shall be deducted from the outstanding amounts payable by the Company to the defaulting Directors.

(2) Proposals of Shareholders' General Meetings

Pursuant to Article 72 of the Articles of Association, Shareholder(s) individually or jointly holding more than one percent (1%) of the shares of the Company shall have the right to propose motions to the Company, and the Company shall include in the agenda of the said shareholders' general meeting the matters of the said motions falling within the functions and powers of shareholders' general meetings. In addition, Shareholder(s) individually or jointly holding more than one percent (1%) of the shares of the Company may submit written provisional motion(s) to the convener ten (10) days before a shareholders' general meeting is convened. The convener shall serve a supplementary notice of shareholders' general meeting within two (2) days after receipt of the motion(s) and announce the contents thereof.

(3) Putting Forward Enquiries to the Board

If any shareholder wants to raise any enquiries to the Board, such Shareholder may send written enquiries to the Company.

Note: The Company normally does not deal with verbal or anonymous enquiries.

(4) Primary Contact Persons

Shareholders may send their enquiries or requests as mentioned above to the Company by means of facsimile, email or post. The details of contact are as follows:

Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Address: Building A, No. 1289 Yishan Road, Shanghai, China
Fax: 8621-33987871
Email: ir@fosunpharma.com

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice, statement, or enquiry (as the case may be) to the above address, apart from the registered office of the Company in Hong Kong, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information will be disclosed in accordance with applicable laws.

PROFIT DISTRIBUTION POLICY

The Company's profit distribution policy is set out in the Report of the Directors on page 74 of this report.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company endeavors to maintain an on- going dialogue with Shareholders and in particular, through annual general meetings and other shareholders' general meetings of the Company.

As illustrated above, the Company has listed the rights of shareholders of the Company and the channels for shareholders to express or solicit opinions from shareholders, so that shareholders can understand their rights and how to exercise them. The Company also reviewed the implementation and effectiveness of the shareholder communication policy during the Reporting Period.

In light of, among other things, the newly revised PRC Company Law (effective from 1 July 2024), the Transitional Arrangements Concerning the Implementation of the New Supporting Systems and Rules (《關於新配套制度規則實施相關過渡期安排》) issued by the CSRC on 27 December 2024, as well as the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) and the Rules of Shareholders' General Meetings of Listed Companies (《上市公司股東會規則》) promulgated and implemented by the CSRC on 28 March 2025, and taking into account the actual conditions of the Company, at the annual general meeting, the 2025 first class meeting of A Shareholders and the 2025 first H Shareholders class meeting of the Company held on 24 June 2025, the Company approved the resolution on the cancellation of the Supervisory Committee and amendments to the Articles of Association and its Appendices, making certain amendments to the Articles of Association and its Appendices (i.e., the Procedural Rules of the General Meetings and the Procedural Rules of the Board) (including deletions and additions of certain clauses) and correspondingly repealing its Appendix the Procedural Rules of the Supervisory Committee (for details, please refer to the announcement of the Company dated 29 April 2025 and the circular dated 20 May 2025). During the Reporting Period, the Company changed its total share capital and registered capital due to the repurchase and cancellation of restricted A shares under the 2022 A Share Restricted Share Incentive Scheme, and amended the Articles of Association accordingly (for details, please refer to the announcement of the Company dated 6 June 2025). The latest version of the Articles of Association is available on the Company's website and the website of the Hong Kong Stock Exchange.

To promote effective communication, the Company maintains an official website at https://www.fosunpharma.com, where information and updates on the Group's business developments and operation, financial information, corporate governance practices and other information are available for public access.

Biographical Details of Directors and Senior Management

DIRECTORS

Mr. Chen Yuqing (陳玉卿), aged 50, was appointed as an executive Director and the chairman of the Company in April 2025. Mr. Chen joined the Group in January 2010. Mr. Chen successively served as assistant to the president and general manager of human resources department, vice president, senior vice president, co-president and co-chief executive officer and other positions of the Company from January 2010 to June 2023, the chairman of the board of directors of Fosun Health, a subsidiary of the Company, from August 2020 to May 2021 and from October 2022 to July 2025, and a non-executive Director of the Company from September 2024 to April 2025. Mr. Chen served as vice president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange, from July 2023 to April 2025. He has served as senior vice president of Fosun International since April 2025, director of United Health Insurance since April 2025, non-executive director of Shanghai Henlius (stock code: 02696), a subsidiary listed on the Hong Kong Stock Exchange, since August 2025 and non-executive director of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange, since June 2025. Prior to joining the Group, Mr. Chen worked at the School of Materials of Shanghai University, Yanfeng Visteon Automotive Trim Systems Co., Ltd* (延鋒偉世通汽車飾件系統有限公司) (now renamed as Yanfeng Automotive Trim Systems Co., Ltd.* (延鋒汽車飾件系統有限公司)), Yanfeng Visteon (Beijing) Automotive Trim Systems Co., Ltd.* (延鋒偉世通(北京)汽車飾件系統有限公司), Shanghai Yanfeng Johnson Controls Seating Co., Ltd.* (上海延鋒江森座椅有限公司), Shanghai Alison (Group) Co., Ltd.* (上海埃力生(集團)有限公司), Schindler China Elevator Co. Ltd.* (迅達(中國)電梯有限公司), Global Mart Limited* (購寶商業集團), and Kubao Information Technology (Shanghai) Co., Ltd.* (酷寶信息技術(上海)有限公司). Mr. Chen obtained a bachelor's degree in engineering from Shanghai University.

Ms. Guan Xiaohui (關曉暉), aged 54, was appointed as an executive Director of the Company in December 2021 and the co-chairman of the Company in April 2025. Ms. Guan joined the Group in May 2000 and successively served as the assistant to the president, general manager of the financial department, chief accountant, vice president and chief accountant, senior vice president and chief financial officer, executive president and chief financial officer and other positions of the Company, and served as the vice chairman of the Company from January 2022 to April 2025. Ms. Guan is currently non-executive director of Shanghai Henlius (stock code: 02696), a subsidiary listed on the Hong Kong Stock Exchange, the chairman of the supervisory committee of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange, and vice-president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Ms. Guan served as non-executive director of Gland Pharma (stock code: GLAND), a subsidiary listed on the BSE and the NSE. Prior to joining the Group, Ms. Guan worked at Jiangxi Branch of Industrial and Commercial Bank of China. Ms. Guan obtained a bachelor's degree in economics from Jiangxi University of Finance and Economics, and a master's degree of professional accountancy from Chinese University of Hong Kong. Ms. Guan has the qualification of the Chinese Certified Public Accountant (CPA) and is a member of the Association of Chartered Certified Accountants (ACCA) and a senior accountant.

Mr. Wen Deyong (文德鏞), aged 54, was appointed as an executive Director of the Company in August 2022 and the vice chairman of the Company in April 2025. Mr. Wen joined the Group in May 2002. He successively served as the vice president, senior vice president, co-president and president and other positions of the Company. He served as chief executive officer of the Company from June 2022 to June 2025. Mr. Wen is currently a non-executive director of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock. Mr. Wen served as non-executive director of Shanghai Henlius (stock code: 02696), a subsidiary listed on the Hong Kong Stock Exchange, from July 2022 to August 2025; director of China National Medicines Corporation Ltd.* (國藥集團藥業股份有限公司) (stock code: 600511), a company listed on the SSE, from May 2019 to June 2025; chairman of the supervisory committee of China National Accord Medicines Corporation Ltd.* (國藥集團一致藥業股份有限公司) (stock code: 000028), a company listed on the SZSE, from July 2017 to June 2025. Prior to joining the Group, Mr. Wen worked at Chongqing Yaoyou Factory VI* (重慶製藥六廠), the predecessor of Yaoyou Pharma, a subsidiary of the Company. Mr. Wen is currently a standing committee member of the 11th Shanghai Association for Science and Technology, a vice president of China Association of Pharmaceutical Commerce (中國醫藥商業協會), and a member of Chinese Preventive Medicine Association (中華預防醫學會). Mr. Wen graduated from West China University of Medical Science majoring in pharmacy, which is now known as West China Medical Center of Sichuan University, and obtained a master's degree in business administration (MBA) from Donghua University.

Mr. Wang Kexin (王可心), aged 61, was appointed as an executive Director of the Company in December 2021. Mr. Wang joined the Group in June 2010 and served as the vice president, senior vice president, co-president, chief investment officer, vice chairman and other positions of the Company, and served as co-chairman of the Company from June 2022 to April 2025. Mr. Wang was the senior vice president of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange, from July 2023 to April 2025, and has served as the executive president of Fosun International since April 2025. Prior to joining the Group, Mr. Wang worked at Sea Rainbow Holding Corporation* (海虹控股醫藥電子商務有限公司), Kunming Pharmaceutical Group Corporation Limited* (昆明製藥集團股份有限公司) (stock code: 600422), Kunming Pharmaceutical Retail Company Limited* (昆明製藥藥品銷售有限公司), Beijing Huali Jiuzhou Medical Company Limited* (北京華立九州醫藥有限公司), Chongqing Huali Pharmaceutical Industry Company Limited* (重慶華立藥業股份有限公司) (former stock code: 000607), a company formerly listed on the Shenzhen Stock Exchange, and Beijing Tianren Hexin Pharmaceutical Company Limited* (北京天仁合信醫藥經營有限責任公司). Mr. Wang obtained a bachelor's degree of medicine from Shenyang Pharmaceutical University (formerly known as Shenyang Pharmaceutical College).

Mr. Liu Yi (劉毅), aged 50, was appointed as chief executive officer and president of the Company in June 2025 and an executive Director of the Company in December 2025. Mr. Liu joined the Group in November 2015, and successively held several positions in the Company such as the chief technology officer and vice president of the medical devices division of the Company, and senior vice president of the Company from January 2022 to June 2025. Mr. Liu served as executive director and chairman of the board of directors of Sisram Medical (stock code: 01696), a subsidiary listed on the Hong Kong Stock Exchange, from April 2016 to December 2025; non-executive director of Sisram Medical since January 2026; and non-executive director of Shanghai Henlius (Stock Code: 02696), a subsidiary listed on the Hong Kong Stock Exchange, since August 2025. Prior to joining the Group, Mr. Liu was primarily engaged in work related to medical devices and medical diagnostics. Mr. Liu obtained a bachelor's degree in engineering from Beijing Institute of Technology, a master's degree in management from Peking University and a doctorate degree in biomedical engineering from Beihang University.

Mr. Chen Qiyu (陳啟宇), aged 53, was appointed as a non-executive Director of the Company in October 2020. Mr. Chen is currently the executive director and a co-chief executive officer of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange; non-executive director of Shanghai Henlius (stock code: 02696), a subsidiary listed on the Hong Kong Stock Exchange; and non-executive director and vice chairman of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange. Mr. Chen successively served as the secretary to the Board, general manager, vice chairman, executive Director, chairman and other positions of the Company from April 1994 to October 2020. Mr. Chen was the co-chairman of the board of New Frontier Health Corporation, which was delisted from the New York Stock Exchange in January 2022 and merged into Unicorn II Holdings Limited, former stock code: NFH; director of Beijing Sanyuan Foods Co., Ltd.* (北京三元食品股份有限公司) (stock code: 600429), a company listed on the Shanghai Stock Exchange; and non-executive director of Gland Pharma (stock code: GLAND), a subsidiary and a company listed on the BSE and the NSE. Mr. Chen is currently the chairman of Shanghai Federation of Industry and Commerce Biomedical Chamber of Commerce (上海市工商聯生物醫藥商會會長), vice president of China Pharmaceutical Industry Research and Development Association (中國醫藥創新促進會), honorary chairman and chief supervisor of the Shanghai Biopharmaceutical Industry Association (上海市生物醫藥行業協會) and the honorary chairman of China Medical Pharmaceutical Material Association (中國醫藥物資協會). Mr. Chen obtained a bachelor's degree in genetics from Fudan University and EMBA from China Europe International Business School.

Mr. Pan Donghui (潘東輝), aged 56, was appointed as a non-executive Director of the Company in June 2020. Mr. Pan is currently the executive director, executive president and chief human resources officer of Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange, non-executive director of Fosun Tourism Group (delisted from the Hong Kong Stock Exchange in March 2025, former stock code: 01992, and director of Shanghai Foyo Culture & Entertainment Co., Ltd.* (上海復娛文化傳播股份有限公司) (delisted from NEEQ in April 2021). Mr. Pan has served as the director of Fidelidade Companhia De Seguros, S.A. since July 2025 and as a non-independent director of Zhejiang Wansheng Co., Ltd.* (浙江萬盛股份有限公司) (stock code: 603010), a company listed on the Shanghai Stock Exchange, since August 2025. Mr. Pan successively served as the director and chairman of the supervisory committee of Shanghai Ganglian E-Commerce Holdings Co., Ltd.* (上海鋼聯電子商務股份有限公司) (stock code: 300226), a company listed on the Shenzhen Stock Exchange. Mr. Pan worked at Zhejiang Ningbo Tiandi Group Co., Ltd.* (浙江寧波天地集團股份有限公司, now known as Ningbo Tiandi (Group) Co., Ltd.* (寧波天地(集團)股份有限公司)). Mr. Pan obtained a bachelor's degree in engineering from Shanghai Jiaotong University, and a master's degree in business administration (MBA) from the University of Southern California in the U.S.

Mr. Yu Tze Shan Hailson (余梓山), aged 69, was appointed as an independent non-executive Director of the Company in June 2021. As an expert in the authorization and transformation of scientific and technological achievements, Mr. Yu has extensive experience in biopharmaceuticals, Chinese medicine, patent and authorization, venture capital investment, systems engineering and computer engineering. Mr. Yu is currently the director of Innovation & Entrepreneurship of Macau University of Science and Technology, independent non-executive director of China Traditional Chinese Medicine Holdings Co., Ltd.* (中國中藥控股有限公司) (stock code: 00570) and independent non-executive director of China NT Pharma Group Company Limited* (中國泰凌醫藥集團有限公司) (stock code: 01011), both of which are listed on the Hong Kong Stock Exchange. Mr. Yu has worked in system engineering development and startup venture capital management for nearly a decade, and was the deputy managing director of Versitech Limited and deputy director of Technology Transfer Office of the University of Hong Kong, and the chief operating officer of HKU Innovation Holdings Limited Mr. Yu currently is a Chartered Engineer, fellow of each of the Institution of Engineering and Technology, the Hong Kong Institution of Engineers, the Chartered Institute of Arbitrators and Hong Kong Institute of Arbitrators, and a member of the expert audit committee of Logistics and Supply Chain MultiTech R&D Centre. Mr. Yu obtained a bachelor's degree in Electrical Engineering from the University of Calgary, a master's degree in Engineering from the University of Hong Kong, and a master's degree in Arbitration and Dispute Resolution from City University of Hong Kong.

Mr. Wang Quandi (王全弟), aged 75, was appointed as an independent non-executive Director of the Company in June 2021. Mr. Wang is a legal expert with extensive experience in the fields of law and risk management. He lectured at Fudan University Law School for over 30 years, specializing in civil and commercial law, and has published major works and papers in relation to the general principles to civil law (民法總論), law of obligations (債法) and property law (物權法). Mr. Wang was an arbitrator at the Shanghai Arbitration Commission and is currently an independent director of Shandong Bohui Paper Industrial Co., LTD* (山東博匯紙業股份有限公司) (stock code: 600966), a company listed on the Shanghai Stock Exchange. Mr. Wang obtained a bachelor degree in law from Jilin University.

Mr. Chen Penghui, aged 53, was appointed as an independent non-executive Director of the Company in June 2025. Mr. Chen has been actively involved in the domestic and international healthcare industry for over 25 years as a research scientist, entrepreneur and investor. Mr. Chen is the founding partner of Borui Yuye (Shanghai) Equity Investment Management Co., Ltd.* (博睿瑜業(上海)股權投資管理有限公司) and serves as the member of the investment management committee of several medical funds managed by the company. Mr. Chen has served as the independent non-executive director of VCREDIT Holdings Limited (stock code: 02003), a company listed on the Hong Kong Stock Exchange, and non-executive director of CF PharmTech, Inc. (stock code: 02652), a company listed on the Hong Kong Stock Exchange. Mr. Chen worked at Ligand Pharmaceuticals Incorporated (stock code: LGND), a United States biotechnology company, CITIC Capital Holdings Limited, ShangPharma Corporation (delisted from the New York Stock Exchange in 2013, former stock code: SHP); China Everbright Limited, and Sequoia Capital China* (紅杉資本中國基金). He was the independent non-executive director of Hygeia Healthcare Holdings Co., Limited (stock code: 06078), a company listed on the Hong Kong Stock Exchange. Mr. Chen served as the independent director of Bright Eye Hospital Group Co., Ltd.* (普瑞眼科醫院集團股份有限公司) (stock code: 301239, formerly known as Chengdu Bright Eye Hospital Group Co., Ltd.* (成都普瑞眼科醫院股份有限公司)), a company listed on the Shenzhen Stock Exchange, from September 2019 to November 2025. Mr. Chen is currently a deputy director of the Pharmaceutical Innovation Investment Specialty Committee of the China Pharmaceutical Innovation and Research Development Association* (中國醫藥創新促進會醫藥創新投資專業委員會) and a member of the Healthcare and Elderly Care Industry Investment Specialty Committee of the Insurance Asset Management Association of China* (中國保險資產管理業協會醫療健康和養老產業投資專業委員會). Mr. Chen obtained a bachelor's degree in chemistry from Nanjing University, a master's degree in medicinal chemistry from Tulane University in the United States, and a master's degree in business administration (MBA) from Kellogg School of Management of Northwestern University in the United States. Mr. Chen Penghui holds a China security investment fund practice certificate.

Mr. Yang Yucheng (楊玉成), aged 60, was appointed as an independent non-executive Director of the Company in June 2025. Mr. Yang is a senior economist and has extensive experience in the fields such as corporate financial management, risk control and capital operations. Mr. Yang is currently the executive director of Shanghai Yiyuan Private Fund Management Co., Ltd.* (上海鈺遠私募基金管理有限公司), vice director of the Shanghai Financial Professional Degree Graduate Education Guidance Committee* (上海市金融專業學位研究生教育指導委員會)and a part-time professor of the Shanghai National Accounting Institute. Mr, Yang has served as the independent director of Chengdu Kanghua Biological Products Co., Ltd. (成都康華生物製品股份有限公司) (stock code: 300841), a company listed on the Shenzhen Stock Exchange, since November 2025, and independent director of ARROW Home Group Co., Ltd.* (箭牌家居集團股份有限公司) (stock code: 001322), a company listed on the Shenzhen Stock Exchange, since December 2025. Mr. Yang previously worked at Shanghai University of Finance and Economics, Junan Securities Co., Ltd.* (君安證券有限責任公司) (currently renamed as Guotai Haitong Securities Co. Ltd.* (國泰海通證券股份有限公司) (stock codes: 601211 and 02611), a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange), Science and Technology Ltd.* (上海大眾科技創業(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (currently known as Shanghai Dazhong Public Utilities (Group) Co., Ltd.* (上海大眾公用事業(集團)股份有限公司) and listed on the Hong Kong Stock Exchange in 2016 (stock codes: 600635 and 01635)), Shanghai Shenergy Asset Management Co., Ltd.* (上海申能資產管理有限公司), Orient Securities (stock codes: 600958 and 03958), a company listed on the SSE and the Hong Kong Stock Exchange, Shenergy Group Finance Co., Ltd.* (申能集團財務有限公司), Shanghai Securities Co., Ltd.* (上海證券有限責任公司), and Shanghai Commercial Investment (Group) Co., Ltd.* (上海市商業投資(集團)有限公司). Mr. Yang obtained a bachelor's and a master's degree in economics from Shanghai University of Finance and Economics, as well as a doctor's degree in wealth management from the University of Geneva.

Ms. Yan Jia (嚴佳), aged 45, was appointed as an employee Director of the Company since June 2025. Ms. Yan currently serves as co-chief financial officer of the Company, and chief financial officer of the innovative medicine division. Ms. Yan worked at the Group from March 2009 to May 2017 and rejoined the Group since August 2020, her successive roles include deputy head of financial audit, head of financial audit, deputy general manager of the finance department and chief accountant, director of financial analysis, deputy chief financial officer, assistant to the president, chief accountant, etc. During the period of employment outside the Group, Ms. Yan worked at Ernst & Young, Fosun High Technology, and Baihe Jiayuan Network Group Co., Ltd.* (百合佳緣網絡集團股份有限公司) (delisted from the NEEQ in December 2019, former stock code: 834214). Ms. Yan Jia holds a Bachelor's degree in management in auditing from Nanjing Audit University (now known as Nanjing Audit University) and is a member of the Association of Chartered Certified Accountants (ACCA).

SENIOR MANAGEMENT

Mr. Liu Yi (劉毅) is currently an executive Director and the chief executive officer and president of the Company. His biographical details are set out on page 129 of this report.

Ms. Li Jing (李靜), aged 53, is currently the Company's co-president (appointed in June 2025), and holds positions including chief executive officer of the established medicines manufacturing and supply division, and chairman of Fosun Wanbang, a subsidiary of the Company. Ms. Li joined the Group in May 2022 and served positions such the senior vice president, executive president of the Company. Prior to joining the Group, Ms. Li held the positions including engineer, office director and deputy president of Tianjin Pharmaceutical Company Research Institute* (天津藥業公司研究所) (the predecessor of Tianjin Pharmaceutical Research Institute Co., Ltd.* (天津藥業研究院股份有限公司)), assistant to general manager and chief engineer of Tianjin Pharmaceutical Group Co., Ltd.* (天津藥業集團有限公司), general manager and president of Tianjin Pharmaceutical Research Institute Co., Ltd.* (天津藥業研究院股份有限公司), chairman of Tianjin Jinyao Amino Acids Co., Ltd.* (天津金耀氨基酸有限公司). She also served as general manager, chairman, and director of Tianjin Pharmaceutical Group Co., Ltd.* (天津藥業集團有限公司), chairman of Tianjin Pharmaceutical Research Institute Co., Ltd.* (天津藥業研究院股份有限公司), chief engineer of Tianjin Pharmaceutical Holdings Ltd.* (天津市醫藥集團有限公司), chairman of Tianjin Pharmaceutical Group Research Institute Co., Ltd.* (天津醫藥集團研究院有限公司), now known as Jinyao Biotechnology (Tianjin) Co., Ltd.* (津藥生物科技(天津)有限公司), and chairman of Tianjin Tianyao Pharmaceutical Co., Ltd.* (天津天藥藥業股份有限公司) (stock code: 600488), a company listed on the Shanghai Stock Exchange. Ms. Li obtained a bachelor's degree in medicine from Tianjin College of Traditional Chinese Medicine (now known as Tianjin University of Traditional Chinese Medicine) and a master's degree in business administration (MBA) from Tianjin University.

Mr. Xingli Wang, aged 63, is currently the Company's co-president (appointed in June 2025), and holds positions including the chief executive officer of the global R&D center and co-chief executive officer of innovative medicine division, and non-executive director of Shanghai Henlius (stock code: 02696), a subsidiary listed on the Hong Kong Stock Exchange, Mr. Wang joined the Group in January 2023 and served as the executive president of our Company from January 2023 to June 2025. Prior to joining the Group, Mr. Wang served as a senior lecturer in cardiovascular medicine at The University of New South Wales ("**UNSW**"), Australia, and as a cardiologist and professor with tenure at Baylor College of Medicine, USA, medical director of Schering-Plough Corporation, a company formerly listed on the New York Stock Exchange (stock code: SGP) (merged into Merck & Co., Inc. in 2009). He also worked in Novartis AG (stock code: NVS), a company listed on the New York Stock Exchange, where he successively served as project supervisor, global project clinical head, head of Novartis global drug R&D (China) and general manager of Biomedical Research Institute (China). Mr. Wang obtained a bachelor's degree in medicine from Shandong Medical College (merged into Shandong University in 2000) and a doctorate degree in cardiovascular science from the UNSW. Mr. Wang also holds a license to practice medicine in Australia.

Mr. Wenjie Zhang, aged 58, is currently the Company's co-president (appointed in June 2025); and holds positions including the co-chief executive officer of the innovative drug business division, non-executive director and chairman of Shanghai Henlius, a subsidiary listed on the Hong Kong Stock Exchange (stock code: 02696), non-executive director of Gland Pharma, a subsidiary listed on the BSE and The National Stock Exchange of India (stock code: GLAND); and chairman of Fosun Kairos. Mr. Zhang joined the Group in March 2019 and successively held various positions at Shanghai Henlius, including senior vice president, chief commercial officer and chief strategy officer, president, and chief executive officer. He served as an executive director of Shanghai Henlius from November 2020 to March 2025, and as executive president of the Company from July 2023 to June 2025. Prior to joining the Group, Mr. Zhang held various positions including assistant engineer of research and development at Jinan Kebier Bioengineering Co., Ltd.* (濟南科貝爾生物工程有限公司); sales representative for China at Sino-American Shanghai Squibb Pharmaceuticals Ltd.; product manager in the U.S. marketing department, manager of business development, and deputy director of global marketing at Bayer Pharmaceuticals, a subsidiary of Bayer AG (a company listed on the Frankfurt Stock Exchange); head of business development at Bayer Healthcare's Asia-Pacific Headquarters; head of oncology and specialty medicines for China and head of oncology and specialty medicines for the Asia-Pacific region at Bayer Schering Pharma; vice president of the oncology business division II at Shanghai Roche Pharmaceuticals Ltd.* (上海羅氏製藥有限公司); executive director for Japan and Asia-Pacific at Amgen Inc. (a company listed on Nasdaq, stock code: AMGN); and general manager of Amgen Biopharmaceuticals (Shanghai) Co., Ltd.* (安進生物醫藥(上海)有限公司). Mr. Zhang holds a bachelor of science degree from Shandong University and a master of business administration (MBA) degree from Yale University, USA.

Ms. Feng Rongli (馮蓉麗), aged 50, is currently the Company's executive president (appointed in January 2024) and holds positions including the chief human resources officer, non-executive director of Sisram Medical, a subsidiary listed on the Hong Kong Stock Exchange (stock code: 01696), and the chairman of the supervisory committee of Shanghai Henlius, a subsidiary listed on the Hong Kong Stock Exchange (stock code: 02696). Ms. Feng joined the Group in April 2020. She was a vice president and senior vice president of the Company from April 2020 to January 2024. From June 2020 to December 2025, Ms. Feng was a non-executive director of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange. Prior to joining the Group, Ms. Feng worked at Sealed Air Packaging (Shanghai) Co., Ltd.* (希悅爾包裝(上海)有限公司), Grundfos Pumps (Shanghai) Co., Ltd.* (格蘭富水泵(上海)有限公司), Emerson Electric (China) Holdings Co., Ltd.* (艾默生電氣(中國)投資有限公司), Dow Chemical (China) Co., Ltd.* (陶氏化學(中國)有限公司), Shanghai Roche Pharmaceutical Co., Ltd.* (上海羅氏製藥有限公司), F. Hoffmann-La Roche AG, Fosun High Tech, and Shanghai Fosun Venture Capital Investment Management Co., Ltd.* (上海復星創業投資管理有限公司), where she was mainly engaged in human resources works . Ms. Feng graduated from Shanghai University with a major in computer application, and obtained a master's degree in business administration (MBA) from Columbia Southern University.

Mr. Wang Donghua (王冬華), aged 56, is currently the Company's senior vice president (appointed in October 2020). Mr. Wang joined the Group in October 2015 and held positions including chief strategy and enablement officer and vice president of the Company. Prior to joining the Group, Mr. Wang was the deputy manager and manager of the corporate culture department, deputy general manager of the investment development department, deputy general manager and spokesman of the brand development department, and deputy general manager, executive general manager and joint general manager of the public affairs department of Fosun High Tech. Mr. Wang obtained a bachelor's degree in agriculture from Yangzhou University and a master's degree in business administration (MBA) from Shanghai University of Finance and Economics.

Mr. Hu Hang (胡航), aged 42, is currently the Company's senior vice president (appointed in January 2022), and holds positions including the chairman and chief executive officer of Fosun Health, a subsidiary of the Company, and chairman of Foshan Fosun Chancheng Hospital, a subsidiary of the Company. Mr. Hu joined the Group in September 2010, and was the assistant to the president, vice president and other positions of Fosun Health, a subsidiary of the Company, and vice president of the Company. Mr. Hu obtained a bachelor's degree in economics from Fudan University and a master's degree in business administration (MBA) from Shanghai Jiao Tong University.

Mr. Chen Zhan Yu (陳戰宇), aged 54, is currently the Company's senior vice president and chief financial officer (appointed in September 2024). Mr. Chen worked at the Group from June 2011 to February 2021 and rejoined the Group since September 2024, he successively served as the assistant to the president and general manager of the financial department, senior assistant to the president and general manager of the financial department and general manager of the centralized procurement and management department, senior assistant to the president and deputy chief financial officer and general manager of the financial department, vice president, deputy chief financial officer and general manager of the financial department of the Company. Prior to initially joining the Group, Mr. Chen worked at Topsun Science and Technology Co., Ltd.* (東盛科技股份有限公司) (a company formerly listed on the Shanghai Stock Exchange, former stock code: 600771) and Shannxi Buchang Pharmaceutical Co., Ltd.* (陝西步長製藥有限公司), where he was mainly engaged in financial works. From March 2021 to August 2024, Mr. Chen was a vice president of Sinopharm (stock code: 01099), a company listed on the Hong Kong Stock Exchange. Mr. Chen graduated from Xi'an University of Finance and Economics with a college degree in accounts, and obtained a master's degree in business administration (MBA) from Northwest University and a master's degree in accounting from The Chinese University of Hong Kong. Mr. Chen holds the qualification of PRC Certified Public Accountant (CPA).

Mr. Xiang Li, aged 60, is currently the Company's senior vice president (appointed in March 2025), co-president and chief scientific officer of the innovation drug business division, and chief executive officer of the global R&D center. Mr. Li joined the Group in December 2023, and served as co-president of the Company's global R&D center. Prior to joining the Group, Mr. Li conducted doctoral and postdoctoral research in the field of protein structural biology at the University of Oxford, and postdoctoral research in basic or cancer immunology at the Scripps Research Institute. He subsequently held positions as senior scientist, principal scientist and senior principal scientist at Boehringer Ingelheim Pharmaceuticals, Inc.'s North America R&D center, and served as vice president of biology, senior vice president, and president of the drug discovery business unit at Bioduro-Sundia. Mr. Li obtained a bachelor's degree in science in biophysics from the University of Science and Technology of China, and a doctorate degree in biochemistry & structural biology from the University of Oxford.

Ms. Dong Xiaoxian (董曉嫻), aged 44, is currently the Company's vice president (appointed in June 2016), the secretary to the Board, and a joint company secretary. Ms. Dong joined the Group in July 2003, and served several positions including the securities affairs representative, and deputy director of the Board Secretary Office of the Company. Ms. Dong obtained a bachelor's degree in laws from Shanghai University and a master's degree in business administration (MBA) from Fudan University.

Ms. Su Li (蘇莉), aged 54, is currently the Company's vice president (appointed in January 2022), and holds positions including the executive president of the established medicines and manufacturing and supply division, and director of Guilin Pharmaceutical Co., Ltd.* (桂林南藥股份有限公司), a subsidiary of the Company. Ms. Su joined the Group in June 2006, and served positions including deputy general manager and vice president of the international business department of Fosun Pharmaceutical Industrial, a subsidiary of the Company, vice president and senior vice president of Guilin Pharmaceutical Co., Ltd.* (桂林南藥股份有限公司), a subsidiary of the Company, and assistant to the president of the Company. Prior to joining the Group, Ms. Su worked at Kunming Pharmaceutical Limited* (昆明製藥股份有限公司) and Kunyao Group Co., Ltd.* (昆明製藥集團股份有限公司), both listed on the Shanghai Stock Exchange (predecessors of Kunyao Group Co., Ltd., stock code: 600422), where she held positions including deputy manager and manager of the import-export department, and manager of the international trade department. Ms. Su obtained a bachelor's degree in arts from Yunnan University.

Mr. Ji Hao (紀皓), aged 51, is currently the Company's vice president (appointed in January 2022) and the general manager of the anti-corruption supervision department. Mr. Ji joined the Group in June 2016, and served as assistant to the president of the Company and other positions. Prior to joining the Group, Mr. Ji was primarily engaged in legal-related work. Mr. Ji obtained a master's degree of laws from the East China University of Political Science and Law and a master's degree of laws from The Chinese University of Hong Kong.

Ms. Zhu Yue (朱悦), aged 48, is currently the Company's vice president (appointed in January 2022) and the general manager of legal department. Ms. Zhu joined the Group in October 2020, and served several positions including the assistant to the president of the Company. Prior to joining the Group, Ms. Zhu worked at Morgan, Lewis & Bockius LLP in the U.S., Milbank LLP in the U.S., Clifford Chance LLP in the United Kingdom, and Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange, where she was mainly engaged in legal works. Ms. Zhu obtained a bachelor's degree in science from University of Science and Technology of China, a master's degree in biology from the University of Iowa in the U.S. and a doctorate in law from the University of Maryland in the U.S. She was also admitted as an attorney of the State of California in the U.S..

Ms. Lv Lilang (吕力琅), aged 48, is currently the Company's vice president (appointed in July 2023) and co-chief executive officer of the med-tech division. Ms. Lv joined the Group in June 2023. Prior to joining the Group, Ms. Lv worked at Fudan University Cancer Hospital and was the general manager of Shanghai Zhijiang Bio-Technology Company Limited* (上海之江生物科技股份有限公司) (stock code: 688317), a company listed on the Shanghai Stock Exchange, from February 2021 to May 2023. Ms. Lv obtained a bachelor's degree in medicine from Peking University, a master's degree in management from Fudan University and a doctorate degree in engineering from Fudan University.

Mr. Yuan Fangbing (袁方兵), aged 50, is currently the Company's vice president (appointed in July 2024) and chief strategy and enablement officer. Mr. Yuan joined the Group in May 2024 and served as the co-chief strategic strategy and enablement officer of the Company. Prior to joining the Group, Mr. Yuan worked at Allbright Law firm, Shanghai Forte Land Co., Ltd.* (復地(集團)股份有限公司), and Fosun International (stock code: 00656), a company listed on the Hong Kong Stock Exchange. Mr. Yuan is currently a member of the Standing Committee of the Shanghai Putuo District Federation of Industry and Commerce (General Chamber of Commerce), and an arbitrator of the Shanghai Arbitration Commission. Mr. Yuan obtained a master's degree in law from Shanghai Jiao Tong University.

Ms. Meng Lingyuan (孟凌媛), aged 47, is currently the vice president of the Company (appointed in January 2026) and the general manager of the audit department. Ms. Meng joined the Group in January 2026. Prior to joining the Group, Ms. Meng worked at Dahua Certified Public Accountants* (大華會計師事務所), PricewaterhouseCoopers* (普華永道會計師事務所), Fosun High Technology, Shanghai Forte Industry Development Group Co., Ltd. (上海復地產業發展集團有限公司), where she was mainly engaged in audit works. From June 2021 to January 2026, she successively served as senior assistant to the president and general manager of the audit department, and vice president and general manager of the audit department at Yuyuan (stock code: 600655), a company listed on the Shanghai Stock Exchange. Ms. Meng obtained a bachelor's degree in economics from Shanghai University of Finance and Economics and holds the qualification of PRC Certified Public Accountant (CPA).

Mr. Xu Xiaoliang (徐晓亮) (retired) served as a non-executive Director of the Company from June 2019 to June 2025.

Ms. Li Ling (李玲) (retired) served as an independent non-executive Director of the Company from June 2019 to June 2025.

Mr. Tang Gulang (湯谷良) (retired) served as an independent non-executive Director of the Company from June 2019 to June 2025.

Mr. Wu Yifang (吴以芳) (resigned) held positions including senior vice president, chief operating officer, president, chief executive officer, executive Director, chairman of the Board, and non-executive Director of the Company from July 2024 to September 2025.

Mr. Bao Qingui (包勤貴) (resigned) served as the vice president and senior vice president of the Company successively from January 2020 to March 2025.

Mr. Li Dongjiu (李東久) (resigned) served as the senior vice president of the Company from March 2021 to April 2025.

Mr. Rong Yang (resigned) served as the senior vice president of the Company from August 2022 to May 2025.

Mr. Zhou Xudong (周旭東) (resigned) served as the senior vice president of the Company from March 2025 to September 2025.

JOINT COMPANY SECRETARIES

Ms. Dong Xiaoxian (董曉嫻), is a joint company secretary and concurrently serves as a vice president of the Company and secretary to the Board. Please refer to page 135 of this report for her biography.

Ms. Chan Sau Ling (陳秀玲), is a joint company secretary. Ms. Chan is currently a director of company secretarial department of Tricor Services Limited. Prior to joining Tricor Services Limited, Ms. Chan worked in the company secretarial department of accounting firms. In addition to the appointment by the Company, Ms. Chan currently serves as the Company Secretary/Joint Company Secretary of a few companies listed on the Hong Kong Stock Exchange. Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and a Fellow of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Chan graduated from University of South Australia with a bachelor's degree in accounting in April 2003.

Independent Auditor's Report

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To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
(Established in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 143 to 284, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
(Established in the People's Republic of China with limited liability)

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill	
The carrying value of goodwill in the consolidated financial statements amounted to RMB10,809,757,000 as at 31 December 2025. In accordance with HKFRSs, the Group is required to perform impairment test for goodwill at least on an annual basis. The impairment test is based on the recoverable amount of each cash-generating unit to which the goodwill is allocated. The recoverable amount of each cash-generating unit is its value in use using cash flow projection based on a financial budget or a forecast. This matter was significant to our audit because the impairment test process was complex and involved significant judgements and estimates.	Our audit procedures included, among others, involving internal valuation specialists to assist us in evaluating the assumptions and methodologies used by the Group, in particular, the discount rate and the growth rate beyond a forecast period. We paid attention to the forecasts used with respect to future revenues and operating results by comparing the forecasts with the historical performance and the business development plan of each cash-generating unit.
The disclosures about impairment of goodwill are included in note 2.4 "Material Accounting Policies", note 3 "Significant Accounting Judgements and Estimates" and note 17 "Goodwill", which specifically explains the key assumptions management used for the calculation of the recoverable amounts to the consolidated financial statements.	We also focused on the adequacy of the disclosures in the consolidated financial statements.
Capitalisation of development expenditures	
During the year ended 31 December 2025, expenditure incurred on projects to develop new pharmaceutical products of RMB1,899,700,000 was capitalised in "other intangible assets — deferred development costs" in the consolidated financial statements. The expenditure on development activities was capitalised and deferred when all criteria mentioned in note 2.4 "Material Accounting Policies" were satisfied. This matter was significant to our audit because significant management's estimation and judgement were required in determining whether development expenditure met the capitalisation criteria.	Our audit procedures included, among others, assessing whether the capitalisation policy adopted to be in line with HKFRSs, obtaining an understanding of the Group's internal approval procedures regarding the capitalisation of development expenditures by conducting interview with key management members in charge of research, development and industrialisation of various projects, and obtaining certifications related to different stages of development activities and commercial and technical feasibility reports prepared by management.
The disclosures about capitalisation of development expenditure are included in note 2.4 "Material Accounting Policies", note 3 "Significant Accounting Judgements and Estimates" and note 18 "Other Intangible Assets" to the consolidated financial statements.	We also focused on the adequacy of the disclosures in the consolidated financial statements.

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
(Established in the People's Republic of China with limited liability)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
(Established in the People's Republic of China with limited liability)

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

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

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

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

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

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

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

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

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

To the shareholders of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
(Established in the People's Republic of China with limited liability)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wanyee Hooi.

Ernst & Young
Certified Public Accountants
Hong Kong
24 March 2026

Consolidated Statement of Profit or Loss

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	**41,498,325**	40,909,878
Cost of sales		**(20,800,103)**	(21,365,574)
Gross profit		**20,698,222**	19,544,304
Other income	6	**476,309**	471,380
Selling and distribution expenses		**(9,193,022)**	(8,679,764)
Administrative expenses		**(4,764,930)**	(4,439,981)
Impairment losses on financial assets		**(125,175)**	(110,631)
Research and development expenses		**(4,012,556)**	(3,644,356)
Other gains	8	**1,993,380**	1,010,464
Other expenses		**(919,376)**	(567,269)
Interest income		**300,504**	373,210
Finance costs	9	**(1,265,351)**	(1,431,915)
Share of profits and losses of:			
Joint ventures		**(8,499)**	(184,409)
Associates		**1,932,478**	1,828,248
PROFIT BEFORE TAX	7	**5,111,984**	4,169,281
Income tax expense	12	**(864,054)**	(656,841)
PROFIT FOR THE YEAR		**4,247,930**	3,512,440
Attributable to:			
Owners of the parent		**3,370,562**	2,769,886
Non-controlling interests		**877,368**	742,554
		4,247,930	3,512,440
Earnings per share attributable to ordinary equity holders of the parent:	14		
Basic		**RMB1.27**	RMB1.04
Diluted		**RMB1.27**	RMB1.04

Consolidated Statement of Comprehensive Income

Year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
PROFIT FOR THE YEAR	**4,247,930**	3,512,440
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(591,159)**	13,680
Share of other comprehensive (loss)/income of joint ventures	**(202)**	3,034
Share of other comprehensive (loss)/income of associates	**(86,764)**	30,370
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	**(678,125)**	47,084
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/(loss):		
Changes in fair value	**2,784**	(3,754)
Income tax effect	**(418)**	(187)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**2,366**	(3,941)
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	**(675,759)**	43,143
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**3,572,171**	3,555,583
Attributable to:		
Owners of the parent	**2,914,152**	2,753,658
Non-controlling interests	**658,019**	801,925
	3,572,171	3,555,583

Consolidated Statement of Financial Position

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**22,680,932**	22,202,927
Right-of-use assets	16	**5,073,385**	4,691,271
Goodwill	17	**10,809,757**	10,905,083
Other intangible assets	18	**17,921,184**	17,234,870
Investments in joint ventures	19	**441,535**	20,900
Investments in associates	20	**25,891,713**	24,632,224
Equity investments designated at fair value through other comprehensive income	21	**19,218**	16,434
Financial assets at fair value through profit or loss	29	**878,424**	1,157,129
Deferred tax assets	22	**985,337**	757,776
Trade receivables — non-current	23	**213,539**	199,436
Other non-current assets	24	**1,279,896**	1,113,080
Total non-current assets		**86,194,920**	82,931,130
CURRENT ASSETS			
Inventories	25	**6,252,472**	7,258,649
Trade and bills receivables	26	**9,426,890**	8,024,433
Contract assets	27	**116,368**	127,553
Prepayments, other receivables and other assets	28	**2,255,295**	2,272,554
Financial assets at fair value through profit or loss	29	**2,253,870**	2,595,997
Debt investments at fair value through other comprehensive income	26	**411,548**	612,973
Cash and bank balances	30	**13,104,229**	13,523,933
		33,820,672	34,416,092
Assets of a disposal group classified as held for sale		**—**	74,968
Total current assets		**33,820,672**	34,491,060
CURRENT LIABILITIES			
Trade and bills payables	31	**5,144,014**	5,997,385
Other payables and accruals	32	**8,285,398**	6,983,144
Interest-bearing bank and other borrowings	33	**21,092,321**	22,620,140
Lease liabilities	16/34	**348,401**	340,981
Contract liabilities	35	**1,299,979**	1,232,315
Tax payable		**254,204**	278,704
Total current liabilities		**36,424,317**	37,452,669
NET CURRENT LIABILITIES		**(2,603,645)**	(2,961,609)
TOTAL ASSETS LESS CURRENT LIABILITIES		**83,591,275**	79,969,521

Consolidated Statement of Financial Position

31 December 2025

	Notes	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	33	**11,861,991**	10,443,500
Lease liabilities	16/34	**3,050,770**	2,541,968
Deferred tax liabilities	22	**3,259,806**	3,245,159
Contract liabilities	35	**1,089,039**	434,635
Deferred income	36	**653,383**	657,891
Other long-term liabilities	37	**1,874,312**	2,751,016
Total non-current liabilities		**21,789,301**	20,074,169
Net assets		**61,801,974**	59,895,352
EQUITY			
Equity attributable to owners of the parent			
Share capital	38	**2,670,429**	2,671,326
Treasury shares		**(607,963)**	(234,375)
Reserves	39	**46,640,666**	44,785,779
		48,703,132	47,222,730
Non-controlling interests		**13,098,842**	12,672,622
Total equity		**61,801,974**	59,895,352

Chen Yuqing
Chairman

Guan Xiaohui
Co-Chairman

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Note	Attributable to owners of the parent									Non-controlling interests RMB'000	Total equity RMB'000
		Issued share capital RMB'000 (note 38)	Treasury shares RMB'000	Share premium RMB'000	Fair value reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000		
At 1 January 2024		2,672,399	(41,928)	15,786,270	(147,067)	2,958,415	1,208,049	(1,141,453)	24,351,701	45,646,386	10,931,499	56,577,885
Profit for the year		—	—	—	—	—	—	—	2,769,886	2,769,886	742,554	3,512,440
Other comprehensive income for the year:												
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		—	—	—	(4,335)	—	—	—	—	(4,335)	394	(3,941)
Share of other comprehensive income of associates		—	—	—	30,370	—	—	—	—	30,370	—	30,370
Share of other comprehensive income of joint ventures		—	—	—	3,034	—	—	—	—	3,034	—	3,034
Exchange differences on translation of foreign operations		—	—	—	—	—	—	(45,297)	—	(45,297)	58,977	13,680
Total comprehensive income for the year		—	—	—	29,069	—	—	(45,297)	2,769,886	2,753,658	801,925	3,555,583
Profit appropriation to reserves		—	—	—	—	33,726	—	—	(33,726)	—	—	—
Repurchase and cancellation of ordinary shares	38	(1,073)	22,828	(21,755)	—	—	—	—	—	—	—	—
Repurchase of ordinary shares		—	(215,275)	—	—	—	—	—	—	(215,275)	—	(215,275)
Deemed disposal of partial interests in subsidiaries without losing control		—	—	—	—	—	530,589	—	—	530,589	849,049	1,379,638
Dividends declared to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	(381,942)	(381,942)
Capital injections from non-controlling shareholders of subsidiaries		—	—	—	—	—	21,124	—	—	21,124	247,728	268,852
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	—	1,751	1,751
Disposal of associates		—	—	—	—	—	(461,141)	—	—	(461,141)	—	(461,141)
Disposal of subsidiaries		—	—	—	—	(1)	—	—	1	—	(133,214)	(133,214)
Acquisition of non-controlling interests		—	—	—	—	—	(480,474)	—	—	(480,474)	301,131	(179,343)
Equity-settled share-based payments		—	—	—	—	—	—	—	—	—	22,908	22,908
Other comprehensive income to retained profits		—	—	—	3,781	—	—	—	(3,781)	—	—	—
Share of changes in equity other than comprehensive income and distributions received of associates		—	—	—	—	—	7,352	—	—	7,352	51	7,403
Adjustment on the share redemption options granted to non-controlling shareholders of subsidiaries		—	—	—	—	—	142,345	—	—	142,345	31,736	174,081
Final 2023 dividend declared and paid		—	—	—	—	—	—	—	(721,834)	(721,834)	—	(721,834)
At 31 December 2024		2,671,326	(234,375)	15,764,515	(114,217)	2,992,140	967,844	(1,186,750)	26,362,247	47,222,730	12,672,622	59,895,352

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Note	Attributable to owners of the parent									Non-controlling interests RMB'000	Total equity RMB'000
		Issued share capital RMB'000 (note 38)	Treasury shares RMB'000	Share premium RMB'000	Fair value reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000		
At 1 January 2025		2,671,326	(234,375)	15,764,515	(114,217)	2,992,140	967,844	(1,186,750)	26,362,247	47,222,730	12,672,622	59,895,352
Profit for the year		—	—	—	—	—	—	—	3,370,562	3,370,562	877,368	4,247,930
Other comprehensive income for the year:												
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		—	—	—	2,103	—	—	—	—	2,103	263	2,366
Share of other comprehensive income of associates		—	—	—	(86,764)	—	—	—	—	(86,764)	—	(86,764)
Share of other comprehensive income of joint ventures		—	—	—	(202)	—	—	—	—	(202)	—	(202)
Exchange differences on translation of foreign operations		—	—	—	—	—	—	(371,547)	—	(371,547)	(219,612)	(591,159)
Total comprehensive income for the year		—	—	—	(84,863)	—	—	(371,547)	3,370,562	2,914,152	658,019	3,572,171
Profit appropriation to reserves		—	—	—	—	22,728	—	—	(22,728)	—	—	—
Transfer of statutory surplus reserve to offset accumulated losses		—	—	—	—	(2,149)	—	—	2,149	—	—	—
Repurchase and cancellation of ordinary shares	38	(897)	19,100	(18,203)	—	—	—	—	—	—	—	—
Repurchase of ordinary shares		—	(392,688)	—	—	—	—	—	—	(392,688)	—	(392,688)
Deemed disposal of partial interests in subsidiaries without losing control		—	—	—	—	—	(62)	—	—	(62)	275	213
Dividends declared to non-controlling shareholders of subsidiaries		—	—	—	—	—	—	—	—	—	(357,998)	(357,998)
Capital injections from non-controlling shareholders of subsidiaries		—	—	—	—	—	483,022	—	—	483,022	441,027	924,049
Acquisitions of subsidiaries		—	—	—	—	—	—	—	—	—	23,181	23,181
Disposal of associates		—	—	—	—	—	65,063	—	—	65,063	(67)	64,996
Disposal of subsidiaries	40	—	—	—	—	—	—	—	—	—	(27,857)	(27,857)
Acquisition of non-controlling interests		—	—	—	—	—	(717,485)	—	—	(717,485)	(555,941)	(1,273,426)
Deemed acquisition of non-controlling interests		—	—	—	—	—	(24,681)	—	—	(24,681)	—	(24,681)
Equity-settled share-based payments		—	—	—	—	—	17,414	—	—	17,414	216,186	233,600
Share of changes in equity other than comprehensive income and distributions received of associates		—	—	—	—	—	56,031	—	—	56,031	—	56,031
Adjustment on the share redemption options granted to non-controlling shareholders of subsidiaries		—	—	—	—	—	(75,661)	—	—	(75,661)	29,395	(46,266)
Final 2024 dividend declared and paid		—	—	—	—	—	—	—	(844,703)	(844,703)	—	(844,703)
At 31 December 2025		2,670,429	(607,963)	15,746,312*	(199,080)*	3,012,719*	771,485*	(1,558,297)*	28,867,527*	48,703,132	13,098,842	61,801,974

* The reserve accounts comprise the consolidated reserves of RMB46,640,666,000 (2024: RMB44,785,779,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	7	**5,111,984**	4,169,281
Adjustments for:			
Finance costs	9	**1,265,351**	1,431,915
Share of profits and losses of joint ventures		**8,499**	184,409
Share of profits and losses of associates		**(1,932,478)**	(1,828,248)
Interest income		**(156,219)**	(177,842)
Depreciation of property, plant and equipment	7	**1,994,034**	1,712,575
Depreciation of right-of-use assets	7	**424,240**	474,540
Amortisation of other intangible assets	7	**1,306,166**	983,864
Gain on disposal of items of property, plant and equipment and other tangible assets	7	**(60,344)**	(349,299)
Gain on disposal of interests in associates and joint ventures	7/8	**(885,209)**	(580,558)
(Gain)/Loss on disposal of subsidiaries, net	7	**(114,506)**	29,508
Dividend income from financial assets at fair value through profit or loss	6	**(57,656)**	(48,231)
Dividend income from equity investments at fair value through other comprehensive income	6	**(212)**	(209)
Impairment of items of property, plant and equipment	7	**3,661**	1,106
Impairment of inventories	7	**77,936**	60,352
Impairment of other intangible assets	7	**28,135**	35,112
Impairment losses on financial assets	7	**125,175**	110,631
Impairment of investments in associates	7	**40,331**	—
(Gain)/Loss on disposal of financial assets at fair value through profit or loss	7	**(782,216)**	138,723
(Gain)/Loss on fair value change of other financial liabilities at fair value through profit or loss, net	7	**(84,535)**	40,305
Loss on fair value change of financial assets at fair value through profit or loss, net	7	**417,595**	69,929
(Gain)/Loss on fair value change of other long-term assets, net	7	**(10,792)**	5,705
Equity settled share-based payment	7	**207,245**	21,069
		6,926,185	6,484,637
Decrease in inventories		**1,236,227**	238,192
Increase in trade and bills receivables		**(1,386,552)**	(655,861)
Decrease in debt investments at fair value through other comprehensive income		**201,425**	29,596
Decrease/(Increase) in prepayments, other receivables and other assets		**73,474**	(112,074)
Decrease in trade and bills payables		**(900,172)**	(91,078)
Increase in contract liabilities		**750,265**	163,095
Decrease in other payables and accruals and other non-current liabilities		**(714,362)**	(930,776)
Decrease in pledged bank balances and deposits		**100,586**	340,816
Cash generated from operations		**6,287,076**	5,466,547
Income tax paid		**(1,073,849)**	(989,566)
Net cash flows from operating activities		**5,213,227**	4,476,981

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Net cash flows from operating activities		**5,213,227**	4,476,981
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment, prepaid land lease payments, other intangible assets and other non-current assets		**(4,448,452)**	(4,410,191)
Acquisitions of subsidiaries, net of cash acquired		**(33,976)**	(215,794)
Acquisitions of interests in associates and joint ventures		**(743,465)**	(627,898)
Purchases of financial assets at fair value through profit or loss		**(194,255)**	(217,758)
Disposal and partial disposal of associates and joint ventures		**1,329,772**	63,741
Disposal of financial assets at fair value through profit or loss		**1,121,089**	312,887
Disposal of subsidiaries	40	**230,624**	131,424
Dividends from associates		**601,171**	862,801
Dividends received from financial assets at fair value through profit or loss		**52,020**	47,284
Dividends received from equity investments designated at fair value through other comprehensive income	6	**212**	209
Proceeds from disposal of items of property, plant and equipment, prepaid land lease payments, other intangible assets and other non-current assets		**81,902**	457,809
Change of the deposit for construction projects		**4,798**	(2,709)
Disposals of other equity instruments		**—**	32,953
Increase in non-pledged time deposits with original maturity of three months or more when acquired and restricted cash, net		**(34,322)**	(231,602)
Interest received from time deposits		**138,653**	178,503
Prepayment for acquisition of an associate		**—**	(385)
Other (payments)/receipts relating to investing activities		**(251,538)**	5,403
Net cash flows used in investing activities		**(2,145,767)**	(3,613,323)
CASH FLOWS USED IN FINANCING ACTIVITIES			
New bank and other borrowings	41	**36,258,206**	31,086,471
Repayment of bank and other borrowings	41	**(36,493,981)**	(30,520,787)
Principal portion of lease payments	41	**(488,258)**	(426,788)
Interest paid		**(1,099,940)**	(1,337,318)
Capital injections from non-controlling shareholders of subsidiaries		**218,263**	204,729
Receipt of capital contribution from limited partners of consolidated Structured entities		**58,500**	204,400
Dividends paid to owners of the parent		**(844,703)**	(722,102)
Dividends paid to non-controlling shareholders of subsidiaries		**(370,679)**	(401,678)
Acquisitions of non-controlling interests		**(555,594)**	(94,414)
Increase of loans from related parties	41	**—**	3,728
Proceeds from financial liabilities from non-controlling interests		**607,500**	—
Partial disposal of a subsidiary without losing control		**—**	1,391,470
Shares repurchase		**(411,789)**	(238,106)
Other payments relating to financing activities		**(121,614)**	(152,191)
Net cash flows used in financing activities		**(3,244,089)**	(1,002,586)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(176,629)**	(138,928)
Cash and cash equivalents at beginning of year		**9,391,450**	9,502,389
Effect of foreign exchange rate changes, net		**(176,810)**	27,989
CASH AND CASH EQUIVALENTS AT END OF YEAR	30	**9,038,011**	9,391,450

31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company was established as a joint stock company with limited liability on 31 May 1995 in the People's Republic of China ("PRC"). The Company's A Shares have been listed on the Shanghai Stock Exchange since 7 August 1998. The Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") since 30 October 2012. The operating term is from 31 March 1998 to an indefinite period.

The holding company of the Company is Shanghai Fosun High Technology (Group) Co., Ltd. ("Fosun High Tech"). The ultimate holding company of the Company is Fosun International Holdings Limited. The ultimate controlling shareholder of the Company is Mr. Guo Guangchang.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the pharmaceutical manufacturing, medical devices and medical diagnosis and healthcare service. The Group also has a presence in pharmaceutical commerce through its indirect investment in Sinopharm Group Co. Ltd.

Information about subsidiaries

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

Company name*	Place of incorporation/ registration and business	Issued ordinary/ registered share capital ('000)	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Chongqing Yao Pharmaceutical Co., Ltd. ("Yao Pharmaceutical") (重慶藥友製藥有限責任公司)	PRC/ Chinese mainland	RMB196,540	—	61.04	Manufacture and trading of medicine
Fosun Wanbang (Jiangsu) Pharmaceutical Group Co., Ltd. ("Fosun Wanbang") (復星萬邦(江蘇)醫藥集團有限公司)	PRC/ Chinese mainland	RMB480,455	—	100.00	Manufacture and trading of medicine
Shanghai Henlius Bio-tech, Inc. ("Shanghai Henlius") (上海復宏漢霖生物技術股份有限公司)	PRC/ Chinese mainland	RMB543,495	—	63.43	Manufacture and trading of medicine
Gland Pharma Limited ("Gland Pharma")	India	Not applicable	—	51.83	Manufacture and trading of medicine

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies.

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

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments, wealth management products and equity investments which have been measured at fair value. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

As of 31 December 2025, the Group's current assets were RMB33,820,672,000 and current liabilities were RMB36,424,317,000. The financial statements of the Group are prepared based on the basic accounting assumption of going concern. Having taken into account the expected cash flows from operating activities and the unused banking facilities, it will enable the Group to fulfil its maturing debts. Therefore, the Group has adequate working capital in the foreseeable future to meet the needs of its daily operations and will not face any issues related to going concern due to a shortage of working capital.

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.

2. ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

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.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted amendments to HKAS 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 HKAS 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, branches, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective HKFRS Accounting Standards

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective HKFRS Accounting Standards (Continued)

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective HKFRS Accounting Standards (Continued)

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.3 Issued But Not Yet Effective HKFRS Accounting Standards (Continued)

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

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

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

2.4 Material Accounting Policies

Investments in associates and joint ventures

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

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments in associates and joint ventures (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other case, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Fair value measurement (Continued)

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Related parties

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

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

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

(ii) has significant influence over the Group; or

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

or

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

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

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

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

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

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Freehold land	Not depreciated
Buildings	2.00% to 10.00%
Plant and machinery	4.75% to 33.33%
Medical devices	9.50% to 20.00%
Office equipment	4.85% to 33.33%
Motor vehicles	9.00% to 33.33%
Leasehold improvements	10.00% to 20.00%

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

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

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Trademarks

Trademarks with finite useful lives are measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Trademarks with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of trademarks are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Medicine licences, technical know-how and operating concession rights

Medicine licences and technical know-how with finite useful lives are measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Medicine licences, technical know-how and operating concession rights with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of medicine licences, technical know-how and operating concession rights are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Intangible assets (other than goodwill) (Continued)

Patents

Patents with finite useful lives are measured initially at cost and are amortised on the straight-line basis over the respective estimated useful lives. Patents with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful lives of patents are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Office software

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 2 to 10 years.

Business networks

Business networks are stated at cost less any impairment losses and are amortised on the straight-line basis over the respective estimated useful lives.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

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

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

Leases

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

Group as a lessee

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

At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leases of properties) as a single lease component.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(a) Right-of-use assets

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

Buildings	2 to 20 years
Plant and machinery	5 to 10 years
Motor vehicles	3 years
Prepaid land lease payments	20 to 50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Leases (Continued)

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

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

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

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

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Derecognition of financial assets (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

General approach

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

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

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments.

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Impairment of financial assets(Continued)

General approach (Continued)

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

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

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

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

Simplified approach

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

For trade and bills receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

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

The Group's financial liabilities include trade and bills payables, other payables and accruals, derivative financial instruments and interest-bearing bank and other borrowings.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Financial liabilities (Continued)

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

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

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

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

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

Derecognition of financial liabilities

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Offsetting of financial instruments

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

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward carrying contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of commodity purchase contracts that meet the definition of a derivative as defined by HKFRS 9 is recognised in the statement of profit or loss as cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Treasury shares

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

Inventories

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

Cost of inventories includes the transfer from equity of gains and losses on qualifying cash flow hedges in respect of the purchases of raw materials.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Cash and cash equivalents

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

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

Provisions

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

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain medical devices and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax

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

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

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

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

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

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

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

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Income tax (Continued)

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of industrial products

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

(b) Healthcare services, technology transfer services and consigned processing services

Revenue from rendering healthcare services, technology transfer services and consigned processing services is recognised at the point in time when the services were completed. As the customers can not control the service or consume the benefit and have no obligation to pay until each service completed and accepted.

(c) Rendering of technical consultancy services and maintenance services

Revenue from rendering technical consultancy services and maintenance services is recognised over time, as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(d) License

The Group's licensing revenue may contain more than one performance obligation, including grants of licenses to the intellectual property rights, agreement to provide research and development services and other deliverables. As part of the accounting for these arrangements, the Group must develop assumptions that require judgement to determine the stand-alone selling price for each performance obligation identified in the contract. In developing the stand-alone selling price for a performance obligation, the Group considers competitor pricing for a similar or identical product, market awareness of and perception of the product, expected product life and current market trends. In general, the consideration allocated to each performance obligation is recognized when the respective obligation is satisfied on acceptance of a good or a service, limited to the consideration that is not constrained. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as contract liabilities.

Licenses of intellectual property: Upfront non-refundable payments for licensing the Group's intellectual property are evaluated to determine if the license is distinct from the other performance obligations identified in the arrangement. For licenses determined to be distinct, the Group recognizes revenues from non-refundable, up-front fees allocated to the license at a point in time, when the license is transferred to the licensee and the licensee is reasonably able to use and benefit from the licensee.

Options to license intellectual property: Upfront non-refundable payments for options to license the Group's intellectual property are evaluated to determine if the option represents a material right and is distinct from the other performance obligations identified in the arrangement. For options determined to be a material right and distinct, the Group defers the non-refundable up-front fees allocated to the option and recognized revenues at a point in time, at the earlier of when the option is exercised and when those future goods or services are transferred or when the option period expires.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(d) License (Continued)

Milestone payments: At the inception of each arrangement that includes development milestone payments, the Group evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price. Milestones related to the development-based activities may include initiation of various phases of clinical trials. Due to the uncertainty involved in meeting these development-based targets, they are generally fully constrained at contract inception. The Group will assess whether the variable consideration is fully constrained in each reporting period based on the facts and circumstances surrounding the clinical trials. Upon changes to the constraint associated with the developmental milestones, variable consideration will be included in the transaction price when a significant reversal of revenue recognized is not expected to occur and allocated to the separate performance obligations. Regulatory milestones are fully constrained until the period in which those regulatory approvals are achieved due to the inherent uncertainty of the approval process. Regulatory milestones are included in the transaction price in the period in which regulatory approval is obtained.

Royalties: For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the license is deemed to be the predominant item to which the royalties relate, the Group recognizes revenue at the later of (i) when the related sales occur, and (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is made received or the a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Share-based payments

The Company operates a share incentive scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 45 to the financial statements.

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

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

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

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

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Other employee benefits

Retirement benefits

The full-time employees of the Group in the PRC are covered by various government-regulated defined contribution retirement benefit schemes under which the employees are entitled to a monthly pension. The Group contributes a percentage of the employees' salaries to these retirement benefit schemes on a monthly basis. Under these schemes, the Group has no legal obligation for retirement benefits beyond the contributions made. Contributions to these schemes are expensed as incurred.

Accommodation benefits

According to the relevant PRC rules and regulations, the PRC companies now comprising the Group and their employees are each required to make contributions which are in proportion to the salaries and wages of the employees to an accommodation fund administered by government agencies in the PRC. There is no further obligation on the part of the Group except for such contributions to the accommodation fund. Contributions to an accommodation fund administered by government agencies are charged to the statement of profit or loss as and when they are incurred.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate ranging between 2.75% and 3.80% has been applied to the expenditure on the individual assets.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in the forthcoming annual general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Foreign currencies

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

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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

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

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

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

2. ACCOUNTING POLICIES (Continued)

2.4 Material Accounting Policies (Continued)

Foreign currencies (Continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification of financial assets

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial assets' contractual cash flow characteristics: (1) management needs to make significant judgement when assessing its business model, including but is not limited to (a) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; (b) the risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way in which those risks are managed; and (c) how managers of the business are compensated. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, management needs to consider the reasons for the sales, timing of sales, frequency and value in prior periods; and (2) management needs to make significant judgement on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, such as whether contractual cash flows could be significantly different from the benchmark cash flows involves judgement when assessing a modified time value of a money element, and whether the fair value of prepayment features is insignificant also requires judgement when assessing the financial assets with prepayment features.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements (Continued)

Determining the method to estimate variable consideration

Certain contracts include variable consideration based on the future events. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

Given that the payments of certain variable consideration are not within the control of the Group, such as regulatory approvals, relevant consideration is not considered until relevant approvals are obtained. The Group determines that the most likely amount method is the appropriate method to estimate the variable consideration. When it is highly probable that the income corresponding to the relevant consideration will not be significantly reversed, the uncertainty of the variable consideration is eliminated and the variable consideration will be included in the transaction price. At the end of each reporting period, the Group will re-evaluate the probability of the payment of the variable consideration, and if necessary, adjust the estimation of the overall transaction price.

Deferred tax assets

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

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB10,809,757,000 (2024: RMB10,905,083,000). Further details are given in note 17 to the financial statements.

Provision for expected credit losses on trade and bills receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade and bills receivables and contract assets (Continued)

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and bill receivables cost is disclosed in note 26 to the financial statements, respectively.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

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

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost to be incurred to completion and sale. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in customers' needs and prices change when the products' expiration date is approaching. Management reassesses these estimates at the end of the reporting period.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 51 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair value of the unlisted equity investments at 31 December 2025 was RMB1,962,479,000 (2024: RMB2,410,866,000). Further details are included in note 29 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Valuation of the identifiable assets and liabilities through business combinations and the recognised corresponding goodwill

The Group completed certain business combinations during the year. The purchase prices are allocated between the fair values of the identifiable assets acquired and the liabilities assumed which result in the recognition of goodwill. Management, assisted by the external appraisers, evaluated the fair values of identifiable assets acquired and liabilities assumed and completed the purchase price allocation. The fair value determination in the accounting for business combinations relied on significant management estimation in respect of fair value assessments.

Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Useful lives of intangible assets (other than goodwill)

The Group determines the estimated useful lives for its intangible assets. This estimate is based on the historical experience of the actual useful lives of intangible assets of similar nature and functions. It could change significantly as a result of technical innovations, or competitor actions in response to severe industry cycles. Management will increase the amortisation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding to future economic benefits.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) the pharmaceutical manufacturing segment mainly engages in the R&D, production and sale of medicine;

(b) the medical devices and medical diagnosis segment mainly engages in the R&D production and sale of medical devices and diagnostic products;

(c) the healthcare service segment mainly engages in the provision of healthcare service and hospital management;

(d) the pharmaceutical distribution and retail segment mainly engages in distribution and retail of medicine and medical devices; and

(e) the other business operations segment comprises businesses other than those mentioned above.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss after tax. The adjusted profit or loss after tax is measured consistently with the Group's profit or loss after tax except that fair value gain or loss on financial assets at fair value through profit or loss, as well as head office and investment management entities income and expenses are excluded from such measurement.

Intersegment revenues are eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Segment assets exclude financial assets at fair value through profit or loss, equity investments designated at fair value through other comprehensive income, entrusted loan recorded in current assets and unallocated head office and investment management entities assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, interest payable and unallocated head office and investment management entities liabilities as these liabilities are managed on a group basis.

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2025

	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	29,682,726	4,317,668	7,366,561	—	131,370	—	41,498,325
Intersegment sales	119,930	19,783	21,957	—	74,193	(235,863)	—
Total segment revenue	29,802,656	4,337,451	7,388,518	—	205,563	(235,863)	41,498,325
Segment results*	3,318,363	(58,496)	17,622	—	(31,907)	(76,160)	3,169,422
Other income	342,478	35,914	50,875	—	2,948	—	432,215
Other gains	462,471	136,116	114,049	(75,931)	40	—	636,745
Interest income	234,866	21,766	11,309	—	1,898	(10,066)	259,773
Finance costs	(267,450)	(61,620)	(271,168)	—	(33,864)	60,283	(573,819)
Other expenses/Impairment losses on financial assets	(146,964)	(56,903)	(126,947)	—	(5,572)	899	(335,487)
Share of profits and losses of:							
Joint ventures	(2,011)	—	(1,802)	—	(4,686)	—	(8,499)
Associates	80,729	106,833	8,441	1,782,499	(46,024)	—	1,932,478
Unallocated other income, interest income, other gains, finance cost, and expenses							(400,844)
Profit/(loss) before tax	4,022,482	123,610	(197,621)	1,706,568	(117,167)	(25,044)	5,111,984
Tax	(593,431)	(41,164)	(18,240)	—	(814)	—	(653,649)
Unallocated tax							(210,405)
Profit/(loss) for the year	3,429,051	82,446	(215,861)	1,706,568	(117,981)	(25,044)	4,247,930
Segment assets	65,992,444	10,515,490	16,389,166	21,016,625	5,348,392	(4,708,740)	114,553,377
Including:							
Investments in joint ventures	170,972	—	3,788	—	266,775	—	441,535
Investments in associates	534,933	1,614,288	636,273	21,016,625	2,089,594	—	25,891,713
Unallocated assets							5,462,215
Total assets							120,015,592
Segment liabilities	23,843,861	2,926,400	7,334,567	—	1,075,690	(13,278,882)	21,901,636
Unallocated liabilities							36,311,982
Total liabilities							58,213,618
Other segment information:							
Depreciation and amortisation	2,473,732	337,901	835,264	—	201,093	—	3,847,990
Impairment losses recognised in the statement of profit or loss, net	71,946	66,246	81,650	—	5,542	—	225,384
Impairment losses recognised in the statement of profit or loss, net (unallocated)							49,853
Capital expenditure**	3,417,534	162,969	1,538,331	—	7,638	—	5,126,472

* Segment results are obtained as segment revenue less cost of sales, selling and distribution expenses, administrative expenses and research and development expenses.

** Capital expenditure consists of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets (not including the addition from acquisitions of subsidiaries).

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended 31 December 2024

	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:							
Sales to external customers	28,776,374	4,319,831	7,641,520	—	172,153	—	40,909,878
Intersegment sales	349,805	28,923	26,084	—	18,772	(423,584)	—
Total segment revenue	29,126,179	4,348,754	7,667,604	—	190,925	(423,584)	40,909,878
Segment results*	3,304,450	(112,028)	71,407	—	(13,745)	(224,640)	3,025,444
Other income	317,971	42,234	57,933	—	20,305	—	438,443
Other gains	640,612	29,176	5,873	—	3,616	—	679,277
Interest income	271,627	22,920	27,761	—	969	(14,078)	309,199
Finance costs	(283,814)	(50,526)	(284,039)	—	(47,992)	111,167	(555,204)
Other expenses/Impairment losses on financial assets	(175,537)	(100,352)	(165,177)	—	51,467	—	(389,599)
Share of profits and losses of:							
Joint ventures	(177,081)	—	(2,380)	—	(4,948)	—	(184,409)
Associates	12,440	88,797	3,552	1,777,036	(53,577)	—	1,828,248
Unallocated other income, interest income, other gains, finance cost, and expenses							(982,118)
Profit/(loss) before tax	3,910,668	(79,779)	(285,070)	1,777,036	(43,905)	(127,551)	4,169,281
Tax	(661,037)	27,644	(29,544)	—	4,336	—	(658,601)
Unallocated tax							1,760
Profit/(loss) for the year	3,249,631	(52,135)	(314,614)	1,777,036	(39,569)	(127,551)	3,512,440
Segment assets	62,739,635	10,567,425	16,042,253	20,073,115	4,794,710	(3,490,489)	110,726,649
Including:							
Investments in joint ventures	5,420	—	5,590	—	9,890	—	20,900
Investments in associates	410,292	1,547,459	626,861	20,073,115	1,974,497	—	24,632,224
Unallocated assets							6,695,541
Total assets							117,422,190
Segment liabilities	22,786,278	3,014,253	6,873,212	—	2,268,299	(15,084,739)	19,857,303
Unallocated liabilities							37,669,535
Total liabilities							57,526,838
Other segment information:							
Depreciation and amortisation	2,104,612	256,361	717,155	—	164,018	—	3,242,146
Impairment losses recognised in the statement of profit or loss, net	66,608	52,060	88,533	—	(2,952)	—	204,249
Impairment losses recognised in the statement of profit or loss, net (unallocated)							2,952
Capital expenditure**	3,795,471	745,330	2,065,760	—	34,045	—	6,640,606

* Segment results are obtained as segment revenue less cost of sales, selling and distribution expenses, administrative expenses and research and development expenses.

** Capital expenditure consists of additions to property, plant and equipment, other intangible assets and prepaid land lease payments included in right-of-use assets (not including the addition from acquisitions of subsidiaries).

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese mainland	**28,520,899**	29,612,556
Overseas regions and countries	**12,977,426**	11,297,322
Total revenue	**41,498,325**	40,909,878

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2025 RMB'000	2024 RMB'000
Chinese mainland	**70,877,354**	66,727,040
Overseas regions and countries	**13,195,090**	14,036,115
Total non-current assets	**84,072,444**	80,763,155

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue amounted to 15% of the Group's total revenue was derived from sales to a single related party for the year ended 31 December 2025 of (for the year ended 31 December 2024: 14%). No other single customer generated revenue above 10% of the Group's total revenue.

5. REVENUE

An analysis of the Group's revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	**41,448,344**	40,821,957
Revenue from other sources[*]		
Gross rental income	**49,981**	87,921
Total	**41,498,325**	40,909,878

5. REVENUE (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

Segments	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Total RMB'000
Types of goods or services						
Sale of medical products	26,765,654	4,153,957	154,149	—	57,109	31,130,869
Rendering of services and others	1,292,189	156,481	7,206,294	—	31,016	8,685,980
Licensing revenue	1,596,701	—	—	—	—	1,596,701
Sale of materials	28,850	5,084	860	—	—	34,794
Total	29,683,394	4,315,522	7,361,303	—	88,125	41,448,344
Geographical markets						
Chinese mainland	19,778,801	1,244,777	7,361,303	—	86,037	28,470,918
Overseas regions and countries	9,904,593	3,070,745	—	—	2,088	12,977,426
Total	29,683,394	4,315,522	7,361,303	—	88,125	41,448,344
Timing of revenue recognition						
Goods and materials transferred at a point in time	26,794,504	4,159,041	155,009	—	57,109	31,165,663
Services transferred at a point in time	2,098,589	38,683	7,206,294	—	31,016	9,374,582
Services transferred over time	790,301	117,798	—	—	—	908,099
Total	29,683,394	4,315,522	7,361,303	—	88,125	41,448,344

* Revenue from other sources — rental income, was primarily generated from Chinese mainland and recognized income over rental period.

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

Segments	Pharmaceutical manufacturing RMB'000	Medical devices and medical diagnosis RMB'000	Healthcare Service RMB'000	Pharmaceutical distribution and retail RMB'000	Other business operations RMB'000	Total RMB'000
Types of goods or services						
Sale of medical products	26,856,459	4,175,615	274,442	—	82,613	31,389,129
Rendering of services and others	1,426,937	136,539	7,359,117	—	39,780	8,962,373
Licensing revenue	451,644	—	—	—	—	451,644
Sale of materials	17,113	1,183	515	—	—	18,811
Total	28,752,153	4,313,337	7,634,074	—	122,393	40,821,957
Geographical markets						
Chinese mainland	20,485,123	1,299,258	7,626,518	—	113,736	29,524,635
Overseas regions and countries	8,267,030	3,014,079	7,556	—	8,657	11,297,322
Total	28,752,153	4,313,337	7,634,074	—	122,393	40,821,957
Timing of revenue recognition						
Goods and materials transferred at a point in time	26,873,572	4,176,798	274,957	—	82,613	31,407,940
Services transferred at a point in time	1,438,174	24,139	7,359,117	—	39,780	8,861,210
Services transferred over time	440,407	112,400	—	—	—	552,807
Total	28,752,153	4,313,337	7,634,074	—	122,393	40,821,957

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

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

	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities as at the beginning of the reporting period:		
Advances from customers	**1,185,554**	1,145,708
Warranty services	**46,761**	54,788
Total	**1,232,315**	1,200,496

(ii) Performance obligations

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

Sale of goods

The performance obligation is satisfied upon acceptance by the customers or delivery of the products. Payment is generally due within 30 to 90 days from the invoice date.

Rendering of services

— The performance obligation is recognized at the point in time when the service is provided.

— The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of installation and customer acceptance.

5. REVENUE (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

The license

The Group entered into multiple license agreements with third parties (the "Licensees") pursuant to which the Licensees shall obtain exclusive licenses for developing, manufacture, and commercializing certain innovative therapies developed by the Group in certain territories. In general, the consideration allocated to each performance obligation is recognized when the respective obligation is satisfied on acceptance of a good or a service. The Group usually receives non-refundable upfront payments in accordance with license agreements and is eligible to receive milestone payments and tiered royalty payments based on net sales in the territories.

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

	2025 **RMB'000**	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	**1,299,979**	1,232,315
After one year	**1,089,039**	434,635
Total	**2,389,018**	1,666,950

The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME

	2025 **RMB'000**	2024 RMB'000
Dividend income from financial assets at fair value through profit or loss	**57,656**	48,231
Dividend income from equity investments designated at fair value through other comprehensive income	**212**	209
Government grants	**418,441**	422,940
Total	**476,309**	471,380

7. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold*		**13,723,107**	14,617,911
Cost of services provided*		**7,076,996**	6,747,663
Staff costs (including Directors', Supervisors' and Chief Executive's remuneration)			
Salaries and other staff costs		**11,823,269**	10,079,294
Retirement benefits:			
Defined contribution fund		**635,177**	638,481
Accommodation benefits:			
Defined contribution fund		**365,563**	338,108
Share-based payment expense		**207,245**	21,069
		13,031,254	11,076,952
Research and development costs:			
Current year expenditure excluding amortisation of other intangible assets		**3,732,861**	3,373,228
Less: Government grants for R&D projects**		**(138,658)**	(40,256)
		3,594,203	3,332,972

7. PROFIT BEFORE TAX (Continued)

	Notes	2025 RMB'000	2024 RMB'000
Auditors' remuneration		**4,660**	4,660
Depreciation of property, plant and equipment		**1,994,034**	1,712,575
Amortisation of other intangible assets		**1,306,166**	983,864
Provision for impairment of property, plant and equipment	15	**3,661**	1,106
Provision for impairment of inventories		**77,936**	60,352
Impairment losses on financial assets, net			
Impairment of trade receivables, net	23 & 26	**123,132**	107,676
Impairment of other receivables, net	28	**2,043**	2,955
Provision for other intangible assets	18	**28,135**	35,112
Provision for impairment of investment in associates	20	**40,331**	—
Depreciation of right-of-use assets	16(a)	**424,240**	474,540
Lease payments not included in the measurement of lease liabilities		**123,772**	120,832
(Gain)/Loss on disposal of financial assets at fair value through profit or loss	8	**(782,216)**	138,723
(Gain)/Loss on fair value change of other financial liabilities at fair value through profit or loss, net	8	**(84,535)**	40,305
Loss on fair value change of financial assets at fair value through profit or loss, net		**417,595**	69,929
(Gain)/Loss on fair value change of other long-term assets, net	8	**(10,792)**	5,705
Gain on disposal of interests in associates and joint ventures	8	**(885,209)**	(580,558)
Foreign exchange loss, net		**152,158**	13,357
(Gain)/Loss on disposal of subsidiaries	8	**(114,506)**	29,508
Gain on disposal of items of property, plant and equipment and other intangible assets		**(60,344)**	(349,299)
Donations		**55,040**	52,493

* The "Cost of inventories sold" and "Cost of services provided" amount include the following expenses which are also included in the respective total amounts of the items disclosed above.

Amortization of intangible assets
Depreciation of property, plant and equipment
Depreciation of right-of-use assets
Employee benefit expenses (excluding directors', supervisors' and chief executive's remuneration)

** The Group received various government grants related to research and development projects. The government grants received have been recorded in other income. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

8. OTHER GAINS

	2025 RMB'000	2024 RMB'000
Gain on disposal of interests in associates and joint ventures	**885,209**	580,558
Gain on disposal of financial assets at fair value through profit or loss	**782,216**	—
Gain on disposal of items of property, plant and equipment and other intangible assets	**69,350**	371,013
Gain on disposal of subsidiaries	**114,506**	—
Gain on fair value change of financial assets at fair value through profit or loss	**10,792**	—
Gain on fair value change of other financial liabilities at fair value through profit or loss, net	**84,535**	—
Others	**46,772**	58,893
Total	**1,993,380**	1,010,464

9. FINANCE COSTS

	Notes	2025 RMB'000	2024 RMB'000
Interest on bank and other borrowings		**1,153,485**	1,353,843
Interest on lease liabilities	16(c)	**134,075**	99,863
Subtotal		**1,287,560**	1,453,706
Less: Interest capitalised	15	**(22,209)**	(21,791)
Total		**1,265,351**	1,431,915

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' (if applicable) and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383 (1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025	2024
	RMB'000	RMB'000
Fees	**1,604**	1,600
Other emoluments:		
Salaries, allowances and benefits in kind	**13,629**	13,670
Performance related bonuses	**26,857**	7,915
Pension scheme contributions	**447**	384
Subtotal	**40,933**	21,969
Total	**42,537**	23,569

During the year, certain directors were granted the incentive schemes of the Group, in respect of their services to the Group, under the granted incentive interest of the Company, further details of which are set out in note 43 to the financial statements. The Board of Supervisors of the Company was no longer established in 2025 due to the revision of the Articles of Association. As of December 31, 2025, there were no supervisors, so the information on the remuneration of supervisors was not disclosed in 2025.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025	2024
	RMB'000	RMB'000
Mr. Yu Tze Shan Hailson	**400**	400
Mr. Wang Quandi	**400**	400
Mr. Chen Penghui	**175**	—
Mr. Yang Yucheng	**175**	—
Ms. Li Ling	**227**	400
Mr. Tang Guliang	**227**	400
Total	**1,604**	1,600

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors, employee directors, supervisors and the chief executive

	Fees RMB'000	Salaries, allowances, and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2025					
Executive directors					
Mr. Chen Yuqing[1]	—	**1,584**	**252**	**53**	**1,889**
Ms. Guan Xiaohui[2]	—	**2,266**	**3,887**	**71**	**6,224**
Mr. Wen Deyong[3]	—	**2,353**	**6,123**	**71**	**8,547**
Mr. Wang Kexin[4]	—	**2,648**	**6,994**	**68**	**9,710**
Mr. Liu Yi[5]	—	**2,327**	**1,335**	**85**	**3,747**
Subtotal	—	**11,178**	**18,591**	**348**	**30,117**
Non-executive directors					
Mr. Chen Qiyu	—	—	—	—	—
Mr. Pan Donghui	—	—	—	—	—
Mr. Wu Yifang[6, 7]	—	**1,182**	**6,802**	**28**	**8,012**
Mr. Xu Xiaoliang[8]	—	—	—	—	—
Subtotal	—	**1,182**	**6,802**	**28**	**8,012**
Employee director					
Ms. Yan Jia[9]	—	**1,269**	**1,464**	**71**	**2,804**
Total	—	**13,629**	**26,857**	**447**	**40,933**
2024					
Executive directors					
Mr. Wu Yifang[6, 7]	—	2,920	1,523	67	4,510
Mr. Wang Kexin[4]	—	2,716	2,721	66	5,503
Ms. Guan Xiaohui[2]	—	2,303	1,508	70	3,881
Mr. Wen Deyong[3]	—	2,415	1,773	70	4,258
Subtotal	—	10,354	7,525	273	18,152
Non-executive directors					
Mr. Chen Qiyu	—	—	—	—	—
Mr. Xu Xiaoliang[8]	—	—	—	—	—
Mr. Pan Donghui	—	—	—	—	—
Mr. Chen Yuqing[1]	—	—	—	—	—
Mr. Yao Fang	—	1,532	—	—	1,532
Subtotal	—	1,532	—	—	1,532
Supervisors					
Mr. Chen Bing	—	—	—	—	—
Mr. Guan Yimin	—	—	—	—	—
Ms. Wang Lina	—	1,073	21	70	1,164
Ms. Ren Qian	—	711	369	41	1,121
Subtotal	—	1,784	390	111	2,285
Total	—	13,670	7,915	384	21,969

10. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) Executive directors, non-executive directors, employee directors, supervisors and the chief executive (Continued)

1 Mr. Chen Yuqing was appointed as Chairman of the Board of the Company, and redesignated from a Non-executive Director to an Executive Director on 29 April 2025.
2 Ms. Guan Xiaohui was redesignated from Vice Chairman to Co-Chairman of the Board on 29 April 2025.
3 Mr. Wen Deyong was appointed as Vice Chairman of the Board on 29 April 2025, and retired as Chief Executive Officer on 24 June 2025.
4 Mr. Wang Kexin was resigned as Co-Chairman of the Board on 29 April 2025.
5 Mr. Liu Yi was appointed as Chief Executive Officer of the Company on 24 June 2025, and appointed as an Executive Director on 2 December 2025.
6 Mr. Wu Yifang was resigned as Chairman of the Board, and redesignated from an Executive Director to a Non-executive Director on 29 April 2025.
7 Mr. Wu Yifang was resigned as a Non-executive Director on 30 September 2025.
8 Mr. Xu Xiaoliang was retired as a Non-executive Director on 24 June 2025.
9 Ms. Yan Jia was served as an Employee Director with effect from 24 June 2025.

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2024: two directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining two (2024: three) highest paid employees who are not a director, supervisor, or the chief executive of the Company are as follows:

	2025	2024
	RMB'000	RMB'000
Salaries, allowances and benefits in kind	**7,850**	12,525
Performance related bonuses	**12,866**	13,778
Pension scheme contributions	**167**	271
Total	**20,883**	26,574

The number of non-director, non-supervisor (if applicable) and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HKD 6,000,000 to HKD10,000,000	**—**	1
HKD10,000,001 to HKD11,000,000	**1**	1
HKD11,000,001 to HKD12,000,000	**1**	1
Total	**2**	3

12. INCOME TAX

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

Chinese mainland

The provision for Chinese mainland current income tax is based on a statutory rate of 25% of the assessable profits 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 taxed at preferential rates of 0% to 20%.

Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, the first HKD2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Israel

The Israeli corporate tax is 23%. For a Special Preferred Technological Enterprise ("SPTE") where the company's total revenues are more than NIS10 billion in the tax year, its preferred technological income will be subject to a tax rate of 6%, regardless of its geographical location.

India

The enacted tax rate in India is 25.17%.

Sweden

Taxable income is subject to corporate tax at a flat rate of 20.6%.

France

The provision of current tax is based on a statutory rate of 25.83%.

Other overseas subsidiaries

Taxes on taxable income assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2025	2024
	RMB'000	RMB'000
Current	**1,045,806**	1,017,620
Deferred *(note 22)*	**(181,752)**	(360,779)
Total	**864,054**	656,841

12. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rates for the countries in which the company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2025

	Chinese mainland RMB'000	Overseas regions and countries RMB'000	Total RMB'000
Profit before tax	**3,367,034**	**1,744,950**	**5,111,984**
Tax at the statutory tax rate	**854,965**	**370,258**	**1,225,223**
Lower tax rates for certain entities	**(345,877)**	**(47,551)**	**(393,428)**
Adjustments in respect of current tax of previous years	**78,529**	**(21,981)**	**56,548**
Profit attributable to joint ventures and associates	**(472,426)**	**(284)**	**(472,710)**
Income not subject to tax	**(1,903)**	**(35,062)**	**(36,965)**
Expenses not deductible for tax	**144,816**	**87,958**	**232,774**
Influence of the change of tax rate on the deferred income tax balance	**—**	**1,092**	**1,092**
Tax losses utilised from previous periods	**(238,859)**	**(50,620)**	**(289,479)**
Tax incentives on eligible expenditures	**(322,088)**	**—**	**(322,088)**
Deductible temporary differences and tax losses not recognised	**591,748**	**271,339**	**863,087**
Tax charge at the Group's effective rate	**288,905**	**575,149**	**864,054**

2024

	Chinese mainland RMB'000	Overseas regions and countries RMB'000	Total RMB'000
Profit before tax	3,436,985	732,296	4,169,281
Tax at the statutory tax rate	858,537	169,095	1,027,632
Lower tax rates for certain entities	(328,005)	(38,785)	(366,790)
Adjustments in respect of current tax of previous years	15,358	2,254	17,612
Profit attributable to joint ventures and associates	(411,687)	(10,899)	(422,586)
Income not subject to tax	(22,950)	(4,867)	(27,817)
Expenses not deductible for tax	131,793	115,090	246,883
Influence of the change of tax rate on the deferred income tax balance	(4,765)	(875)	(5,640)
Tax losses utilised from previous periods	(190,117)	(16,997)	(207,114)
Tax incentives on eligible expenditures	(300,088)	—	(300,088)
Deductible temporary differences and tax losses not recognised	638,300	56,449	694,749
Tax charge at the Group's effective rate	386,376	270,465	656,841

12. INCOME TAX (Continued)

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect to have any material Pillar Two exposure (including current tax) arising in these jurisdictions during the year ended December 31, 2025.

13. DIVIDENDS

	2025	2024
	RMB'000	RMB'000
Proposed final — RMB0.39 (2024: RMB0.32) per ordinary share	**1,029,426**	850,275

The Company proposed to distribute a cash dividend of RMB0.39 (before tax) for each ordinary share to all shareholders whose names are registered in the register of members and are entitled to participate in the distribution on the record date. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and the final dividend amount will be determined by the number of the ordinary shares available for distribution on the corresponding date of share registration for the dividend payment.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the cash dividends distributed to the Restricted A Share Incentive Scheme, and the weighted average number of ordinary shares of 2,646,294,024 (2024: 2,670,408,116) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, 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 conversion of all dilutive potential ordinary shares into ordinary shares.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Continued)

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

	2025 RMB'000	2024 RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent	**3,370,562**	2,769,886
Less: Cash dividends distributed to the Share Incentive Scheme	**—**	—
Adjusted profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**3,370,562**	2,769,886
Cash dividends distributed to the Share Incentive Scheme	**—**	—
Total	**3,370,562**	2,769,886

	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**2,646,294,024**	2,670,408,116
Effect of dilution — weighted average number of ordinary shares: — the Share Incentive Scheme	**—**	—
Total	**2,646,294,024**	2,670,408,116

15. PROPERTY, PLANT AND EQUIPMENT

	Year ended 31 December 2025								
	Freehold land RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Medical devices RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:									
At 1 January 2025	943,681	12,930,863	12,664,597	1,456,734	1,136,204	138,495	2,184,603	3,435,451	34,890,628
Additions	—	147,214	442,073	257,495	38,652	6,504	569,834	1,441,034	2,902,806
Disposals	—	(119,939)	(305,196)	(74,683)	(78,149)	(9,052)	(29,575)	—	(616,594)
Disposal of subsidiaries *(note 40)*	—	(20,018)	(31,379)	(7,525)	(7,360)	(1,636)	(62,904)	(1,750)	(132,572)
Transferred from construction in progress	—	1,002,997	461,602	153,855	120,916	3,218	—	(1,742,588)	—
Exchange realignment	77,134	123,747	(28,955)	1,390	18,526	(7,152)	—	(74,545)	110,145
At 31 December 2025	1,020,815	14,064,864	13,202,742	1,787,266	1,228,789	130,377	2,661,958	3,057,602	37,154,413
Accumulated depreciation:									
At 1 January 2025	—	(3,275,704)	(6,966,080)	(872,349)	(665,853)	(97,513)	(802,321)	—	(12,679,820)
Depreciation charge for the year	—	(479,292)	(1,010,140)	(244,242)	(125,948)	(12,197)	(211,406)	—	(2,083,225)
Disposals	—	36,293	172,652	65,864	64,329	8,512	—	—	347,650
Disposal of subsidiaries *(note 40)*	—	7,184	21,819	3,347	5,700	1,152	—	—	39,202
Exchange realignment	—	(103,130)	24,200	(1,848)	(11,329)	2,690	—	—	(89,417)
At 31 December 2025	—	(3,814,649)	(7,757,549)	(1,049,228)	(733,101)	(97,356)	(1,013,727)	—	(14,465,610)
Impairment losses:									
At 1 January 2025	—	(3,657)	(2,302)	(792)	(1,130)	—	—	—	(7,881)
Charge for the year	—	—	—	—	—	—	—	(3,661)	(3,661)
Disposals	—	—	933	—	455	—	—	1,491	2,879
Disposal of subsidiaries *(note 40)*	—	—	—	792	—	—	—	—	792
At 31 December 2025	—	(3,657)	(1,369)	—	(675)	—	—	(2,170)	(7,871)
Net carrying amount:									
At 31 December 2025	1,020,815	10,246,558	5,443,824	738,038	495,013	33,021	1,648,231	3,055,432	22,680,932
At 1 January 2025	943,681	9,651,502	5,696,215	583,593	469,221	40,982	1,382,282	3,435,451	22,202,927

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Year ended 31 December 2024								
	Freehold land RMB'000	Buildings RMB'000	Plant and machinery RMB'000	Medical devices RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:									
At 1 January 2024	951,736	11,474,732	11,338,545	1,476,774	1,082,962	135,610	1,328,048	4,938,281	32,726,688
Additions	—	826,364	379,670	79,565	44,134	3,762	745,484	2,083,551	4,162,530
Acquisitions of subsidiaries	—	—	166,049	—	2,153	—	142,932	1,680	312,814
Disposals	—	(552,506)	(311,477)	(52,514)	(78,594)	(10,159)	(24,563)	—	(1,029,813)
Disposal of subsidiaries *(note 40)*	—	(855,279)	(1,432)	(199,769)	(20,625)	(367)	(7,298)	(13,012)	(1,097,782)
Transferred from construction in progress	—	2,103,160	1,164,459	153,172	109,181	9,613	—	(3,539,585)	—
Exchange realignment	(8,055)	(65,608)	(71,217)	(494)	(3,007)	36	—	(35,464)	(183,809)
At 31 December 2024	943,681	12,930,863	12,664,597	1,456,734	1,136,204	138,495	2,184,603	3,435,451	34,890,628
Accumulated depreciation:									
At 1 January 2024	—	(3,440,101)	(6,302,995)	(885,651)	(597,707)	(92,878)	(549,242)	—	(11,868,574)
Depreciation charge for the year	—	(402,252)	(888,164)	(161,521)	(114,362)	(13,648)	(169,436)	—	(1,749,383)
Acquisitions of subsidiaries	—	—	(71,554)	—	(1,404)	—	(88,234)	—	(161,192)
Disposals	—	499,231	256,261	50,654	41,591	8,612	1,195	—	857,544
Disposal of subsidiaries *(note 40)*	—	43,192	934	123,333	5,203	352	3,396	—	176,410
Exchange realignment	—	24,226	39,438	836	826	49	—	—	65,375
At 31 December 2024	—	(3,275,704)	(6,966,080)	(872,349)	(665,853)	(97,513)	(802,321)	—	(12,679,820)
Impairment losses:									
At 1 January 2024	—	(3,352)	(6,899)	—	(1,405)	—	—	—	(11,656)
Charge for the year	—	(314)	—	(792)	—	—	—	—	(1,106)
Disposals	—	9	4,597	—	275	—	—	—	4,881
At 31 December 2024	—	(3,657)	(2,302)	(792)	(1,130)	—	—	—	(7,881)
Net carrying amount:									
At 31 December 2024	943,681	9,651,502	5,696,215	583,593	469,221	40,982	1,382,282	3,435,451	22,202,927
At 1 January 2024	951,736	8,031,279	5,028,651	591,123	483,850	42,732	778,806	4,938,281	20,846,458

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying amounts of construction in progress of the Group included capitalised interest of approximately RMB22,209,000 (2024: RMB21,791,000) charged for the year (note 9) prior to being transferred to property, plant and equipment.

As at 31 December 2025, the Group has not obtained title certificates for certain of the buildings with an aggregate net carrying amount of approximately RMB897,529,000 (2024:RMB897,780,000). The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 31 December 2025.

As at 31 December 2025, certain of the Group's property, plant and equipment with a net carrying amount of approximately RMB2,736,609,000 (2024: RMB2,597,290,000) were pledged to secure certain of the Group's bank and other borrowings (note 33).

As at 31 December, the net carrying values of the group's property, plant and equipment leased out for operating purposes are as follows:

	2025	2024
	RMB'000	RMB'000
Buildings	**272,383**	338,609

16. LEASE

The Group as a lessee

The Group has lease contracts for various items of land, buildings, plant and machinery and motor vehicles used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings have lease terms between 2 to 20 years, plant and machinery generally have lease terms between 5 and 10 years, while motor vehicles generally have lease terms of 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

16. LEASE (Continued)

The Group as a lessee (Continued)

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Prepaid land lease payments RMB'000	Total RMB'000
As at 1 January 2025	**2,495,861**	**68,067**	**25,975**	**2,101,368**	**4,691,271**
Additions	**1,056,434**	**—**	**10,243**	**15,113**	**1,081,790**
Disposal	**(186,382)**	**—**	**(1,712)**	**(32,158)**	**(220,252)**
Disposal of subsidiaries *(note 40)*	**(38,638)**	**—**	**—**	**(5,915)**	**(44,553)**
Depreciation charge	**(326,817)**	**(32,051)**	**(9,207)**	**(56,165)**	**(424,240)**
Effect of foreign exchange rate changes, net	**(13,747)**	**1,934**	**1,182**	**—**	**(10,631)**
As at 31 December 2025	**2,986,711**	**37,950**	**26,481**	**2,022,243**	**5,073,385**

	Buildings RMB'000	Plant and machinery RMB'000	Motor vehicles RMB'000	Prepaid land lease payments RMB'000	Total RMB'000
As at 1 January 2024	2,073,628	84,258	13,858	2,076,336	4,248,080
Additions	832,155	—	21,431	178,357	1,031,943
Additions as a result of acquisition of subsidiaries	11,274	—	—	—	11,274
Disposal	(24,503)	(779)	(234)	(51,329)	(76,845)
Disposal of subsidiaries *(note 40)*	(3,737)	—	—	(47,219)	(50,956)
Depreciation charge	(396,232)	(14,853)	(8,632)	(54,823)	(474,540)
Reclassification from other intangible assets	—	—	—	1,441	1,441
Effect of foreign exchange rate changes, net	3,276	(559)	(448)	(1,395)	874
As at 31 December 2024	2,495,861	68,067	25,975	2,101,368	4,691,271

As at 31 December 2025, certain of the Group's prepaid land lease payments with a net carrying amount of RMB619,310,000 (2024: RMB615,111,000) were pledged to secure certain of the Group's bank and other borrowings (note 33).

As at 31 December 2025, the Group has not obtained a title certificate for the land use rights with net carrying amount of approximately RMB102,222,000 (2024: RMB105,660,000). The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 31 December 2025.

16. LEASE (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	**2,882,949**	2,379,114
New leases	**1,090,000**	863,295
Acquisition of subsidiaries	**—**	6,753
Accretion of interest recognised during the year	**134,075**	99,863
Payments	**(488,258)**	(426,788)
Lease termination	**(175,519)**	(27,858)
Disposal of subsidiaries *(note 40)*	**(35,062)**	(4,137)
Effect of foreign exchange rate changes, net	**(9,014)**	(7,293)
As at 31 December	**3,399,171**	2,882,949
Analysed into:		
Current portion	**348,401**	340,981
Non-current portion	**3,050,770**	2,541,968

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

16. LEASE (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Note	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	9	**134,075**	99,863
Depreciation charge of right-of-use assets		**424,240**	474,540
Expense relating to short-term leases		**112,832**	108,846
Expense relating to leases of low-value assets		**10,940**	11,986
Total amount recognised in profit or loss		**682,087**	695,235

The Group as a lessor

The Group leases part of its buildings (note 15) under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the year was RMB49,981,000 (2024: RMB87,921,000), details of which are included in note 5 to the financial statements.

At 31 December, the undiscounted lease payments receivables by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**34,194**	36,387
After one year but within two years	**24,971**	24,605
After two years but within three years	**14,357**	16,072
Over three years	**11,411**	39,649
Total	**84,933**	116,713

17. GOODWILL

	2025 RMB'000	2024 RMB'000
At 1 January		
Cost	**11,592,583**	11,539,499
Accumulated impairment	**(687,500)**	(687,500)
Net carrying amount	**10,905,083**	10,851,999
Cost at 1 January, net of accumulated impairment	**10,905,083**	10,851,999
Acquisitions of subsidiaries	**1,563**	—
Purchase price adjustment	**—**	4,655
Disposal of subsidiaries *(note 40)*	**(14,407)**	(13,785)
Exchange realignment	**(82,482)**	62,214
Net carrying amount at 31 December	**10,809,757**	10,905,083

	2025 RMB'000	2024 RMB'000
At 31 December		
Cost	**11,497,257**	11,592,583
Accumulated impairment	**(687,500)**	(687,500)
Net carrying amount	**10,809,757**	10,905,083

	2025 RMB'000	2024 RMB'000
Goodwill of Gland Pharma and subsidiaries*	**4,227,932**	4,299,760
Goodwill of Fosun Adgenvax and subsidiaries	**1,168,983**	1,168,983
Goodwill of Sisram Medical Ltd ("Sisram Medical") and subsidiaries*	**894,984**	912,729
Goodwill of Foshan Fosun Chancheng Hospital & Zhuhai Chancheng Hospital & Guangzhou Xinshi Hospital	**680,808**	680,808
Goodwill of Hengsheng Hospital	**636,933**	636,933
Goodwill of Avanc Pharma and subsidiaries	**616,231**	616,231
Goodwill of Yao Pharma and subsidiaries	**574,233**	572,670
Goodwill of Erye Pharma	**503,373**	503,373
Goodwill of Breas*	**294,491**	302,995
Goodwill of Fosun Xingmai	**275,653**	275,653
Goodwill of Shenyang Hongqi	**205,952**	205,952
Goodwill of Tridem Pharma**	**180,929**	165,335
Goodwill of Fosun Wanbang and subsidiaries	**69,358**	83,765
Goodwill of other subsidiaries	**479,897**	479,896
Total	**10,809,757**	10,905,083

* Goodwill of Gland Pharma, Sisram and Breas is measured in USD.

** Goodwill of Tridem Pharma is measured in EUR.

The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies.

17. GOODWILL (Continued)

Impairment testing of goodwill

Movements in the provisions for impairment of goodwill are as follows:

2025	At beginning of year RMB'000	Additions RMB'000	Disposals RMB'000	At end of year RMB'000
Provisions for impairment of:				
Goodwill of Fosun Adgenvax and subsidiaries	**202,500**	**—**	**—**	**202,500**
Goodwill of Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & GuangZhou Xinshi Hospital	**15,000**	**—**	**—**	**15,000**
Goodwill of Avanc Pharma and subsidiaries	**390,000**	**—**	**—**	**390,000**
Goodwill of Breas	**80,000**	**—**	**—**	**80,000**
Total	**687,500**	**—**	**—**	**687,500**

2024	At beginning of year RMB'000	Additions RMB'000	Disposals RMB'000	At end of year RMB'000
Provisions for impairment of:				
Goodwill of Fosun Adgenvax and subsidiaries	202,500	—	—	202,500
Goodwill of Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & Guangzhou Xinshi Hospital	15,000	—	—	15,000
Goodwill of Avanc Pharma and subsidiaries	390,000	—	—	390,000
Goodwill of Breas	80,000	—	—	80,000
Total	687,500	—	—	687,500

The cash flows generated from each subsidiary acquired are independent from those of the other subsidiaries of the Group. Therefore, each of these acquired subsidiaries is a separate cash-generating unit. Therefore, in performing the impairment test, the goodwill generated from each acquisition is allocated to the corresponding subsidiary acquired.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Assumptions were used in the value-in-use calculation of all the cash-generating units or the groups of cash-generating units for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(1) The Group under evaluation continues to operate and there are no major changes affecting the key aspects of production and operations and the current situation in terms of business scope, sales model, channels and management.

(2) The socio-economic environment in which the group under evaluation is located does not cause major changes and there are no major changes in relevant laws, regulations, policies and regulations.

(3) The business scope, operating mode, and management mode of the group under evaluation are consistent and continuously adjusted with the development of the economy.

(4) The interest rate, exchange rate, tax base and tax rate will not change significantly within the normal range prescribed by the state.

Forecasted revenue — The basis for determining this growth rate is an appropriate increase based on projected market developments on the basis of forecasted revenue achieved in the previous year.

Forecasted profit margin — The basis used to determine the value assigned to the forecasted profit margin is the average profit margin achieved in the year immediately before the forecast year, adjusted for expected efficiency adjustments and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

The growth rates beyond the forecast period — The growth rates beyond the forecast period are the rate of inflation.

The recoverable amount was determined at the present value of the projected future cash flows of the cash-generating units or the groups of cash-generating units. According to the financial forecast for 5–9 years approved by management, the revenue growth rate for the forecast period was 3.71% to 51.28%and the gross margin was 19.79% to 80.53%.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Gland Pharma and subsidiaries

Gland Pharma, founded in 1978 and headquartered in Hyderabad, India, is a generic injection company with R&D capabilities for original pharmaceuticals and preparations. At present, it mainly provides manufacturing services of generic injection for large-scale pharmaceutical companies worldwide. Gland Pharma is the first Indian manufacturer of injectable pharmaceuticals approved by Food and Drug Administration of the United States of America, and has the ability to register and sell drugs in the regulatory markets. Its products are mainly sold to the United States and Europe. On November 2020, Gland Pharma was listed on BSE limited and national stock exchange of India limited. The Group regularly evaluates the above-mentioned operating activities and unifies the resource allocation based on the evaluation results. Therefore, Gland Pharma and subsidiaries as a whole is recognized as a group of cash-generating units, which mainly consists of Gland Pharma and Phixen SAS, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Gland Pharma and its subsidiaries beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 16.15% (2024: 15.90%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Gland Pharma and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Fosun Adgenvax and subsidiaries

Fosun Adgenvax was established on 6 July 2012. Fosun Adgenvax and its subsidiaries have a number of patents including 13-valent pneumonia conjugate vaccine (multivalent conjugate), influenza vaccine and rabies vaccine. The Group regularly evaluates the above-mentioned operating activities and unifies the resource allocation based on the evaluation results. Therefore, Fosun Adgenvax and its subsidiaries as a whole is recognized as a group of cash-generating units, which mainly consists of Fosun Adgenvax and Dalian Aleph, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Fosun Adgenvax and its subsidiaries beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 13.46% (2024: 13.90%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Fosun Adgenvax and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Sisram Medical and subsidiaries

Sisram Medical is a manufacturer of medical lasers, photonics and Radio Frequency equipment in Israel. Sisram Medical ranks in the forefront of the medical beauty market, and has formed a strong competitive advantage in design capabilities, cost control, and customer base. Its medical laser and optical equipment is mainly used in dermatology, orthopedics, burn surgery, laser and many other fields, and Sisram Medical and subsidiaries are dedicated to provide the comprehensive solution with core of top technology for the medical beauty market. Sisram Medical merged downstream distributor Nova Medical Israel Ltd. to integrate its sales channels in the Israel market during 2019. In 2023, Sisram Medical completed the acquisition of PhotonMed brand and channel, a leading energy source equipment distributor and strategic partner of Alma in China, achieving a direct sales layout for medical beauty business in the Chinese market. Therefore, Sisram Medical and its subsidiaries mainly consist of Alma Lasers, Ltd., Nova Medical Israel Ltd. and Alma Hong Kong 2023 Limited, which belong to the medical devices and medical diagnosis segment. According to the 5-year financial forecast approved by the management, the revenue growth rate for Sisram Medical and its subsidiaries beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 17.55% (2024: 18.11%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Sisram Medical and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & GuangZhou Xinshi Hospital

Foshan Fosun Chancheng Hospital is a national third-grade class-A hospital which integrates medical treatment, rehabilitation, scientific research and teaching in Foshan, Guangdong Province. Zhuhai Chancheng Hospital in Zhuhai City, Guangdong Province is a second-class hospital approved by Zhuhai Health and Family Planning Bureau. Xinshi Hospital is a third-class general hospital which integrates medical treatment, teaching, prevention and health care in Guangzhou, Guangdong Province. As the above-mentioned hospitals are located in South China, they have synergy and relevance in terms of acquisition purpose, integration progress, overall evaluation, resource allocation and business operation. Therefore, Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & GuangZhou Xinshi Hospital as a whole is recognised as a group of cash-generating units, which mainly consists of Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & GuangZhou Xinshi Hospital, and belongs to the Healthcare service segment. According to the 9-year financial forecast approved by the management, the revenue growth rate for Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & GuangZhou Xinshi Hospital beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 15.65% (2024: 14.78%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & GuangZhou Xinshi Hospital's group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Hengsheng Hospital

Shenzhen Hengsheng Hospital is a modern comprehensive Tertiary Hospital approved by the Health and Family Planning Commission of Guangdong Province, which integrates medical treatment, scientific research, teaching, rehabilitation and preventive health care. It is mainly engaged in healthcare service and is the designated medical institution for social medical insurance in Shenzhen. Shenzhen Workers' Injury Insurance Hospital, Shenzhen Children's Medical Insurance Hospital, Shenzhen 120 Emergency Medical Center Network Hospital, Shenzhen Baoan District Science Education Base, Teaching Hospital of Guangdong Medical College. The Group regularly evaluates the above-mentioned operating activities and unifies resource allocation based on the evaluation results. Hengsheng Hospital specialises in healthcare service and generates operating cash flow independently. Therefore, Hengsheng Hospital as a whole is recognised as a group of cash-generating units, which mainly consists of Hengsheng Hospital, and belongs to the Healthcare service segment. According to the 9-year financial forecast approved by the management, the revenue growth rate for Hengsheng Hospital beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 15.86% (2024: 16.00%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Hengsheng Hospital's group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Avanc Pharma and subsidiaries

Avanc Pharma and subsidiaries belong to the pharmaceutical manufacturing segment whose major products included Aodejin (Calf blood serum injection), Bangting (Hemocoagulase for injection) and Changtuoning (Penehyclidine hydrochloride injection).The group has overall assessment for mentioned-above operating activities regularly, and allocates resources accordingly. Therefore, Avanc Pharma and its susbsidiaries as a whole is recognised as a group of cash-generating units, which mainly consists of Avanc Pharma and Chengdu List, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the asset portfolio. According to the 9-year financial forecast approved by the management, the revenue growth rate for Avanc Pharma and its subsidiaries beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 13.90% (2024: 13.84%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Avanc Pharma and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Yao Pharma and subsidiaries

Yao Pharma and its subsidiaries as a whole is recognized as a group of cash-generating units, which consists of Sichuan Hexin, Dongting Pharma, Liaoning Shinsun Pharma and Beijing Jnova, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Yao Pharma and its subsidiaries beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 16.05% (2024: 16.00%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Yao Pharma and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Erye Pharma

Erye Pharma is a comprehensive pharmaceutical company that produces active pharmaceutical ingredients, powder injections (including penicillins, cephalosporins), freeze-dried powders and oral preparations. The Group regularly evaluates the above-mentioned business activities and unifies the resource allocation based on the evaluation results. Therefore, Erye Pharma as a whole is recognised as a group of cash-generating units, which mainly consists of Erye Pharma, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the asset portfolio. According to the 9-year financial forecast approved by the management, the revenue growth rate for Erye Pharma beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 14.60% (2024: 13.95%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Erye Pharma's group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Breas

Breas as a whole is recognized as a group of cash-generating units, which mainly consists of Breas, and belongs to the medical devices and medical diagnosis segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Breas beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 16.65% (2024: 15.80%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Breas's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Fosun Xingmai

Fosun Xingmai as a whole is recognized as a group of cash-generating units, which mainly consists of Fosun Xingmai, and belongs to the other business operations segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Fosun Xingmai beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 14.19% (2024: 13.85%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Fosun Xingmai's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Hongqi Pharma

Hongqi Pharma as a whole is recognized as a group of cash-generating units, which mainly consists of Hongqi Pharma, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Shenyang Hongqi beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 14.25% (2024: 13.90%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Hongqi Pharma's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2025.

17. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Goodwill of Tridem Pharma

Tridem Pharma as a whole is recognized as a group of cash-generating units, which mainly consists of Tridem Pharma, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the cash-generating unit. According to the 9-year financial forecast approved by the management, the revenue growth rate for Tridem Pharma beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 18.49% (2024: 16.15%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Tridem Pharma's cash-generating unit. The Group believes that there is no impairment of the goodwill during 2025.

Goodwill of Fosun Wanbang and subsidiaries

Fosun Wanbang and its subsidiaries as a whole is recognized as a group of cash-generating units, which mainly consists of Fosun Wanbang Biochemical, and belongs to the pharmaceutical manufacturing segment. The recoverable amount is determined based on the present value of the expected future cash flows of the group of cash-generating units. According to the 9-year financial forecast approved by the management, the revenue growth rate for Fosun Wanbang and its subsidiaries beyond the forecast period is 2.00% (2024: 2.00%). The discount rate applicable to future cash flows is 16.19% (2024: 16.67%). According to the calculation, the present value of the estimated future cash flow is higher than the carrying amount of Fosun Wanbang and subsidiaries' group of cash-generating units. The Group believes that there is no impairment of the goodwill during 2025.

The Group's calculation of the present value (recoverable amount) of the estimated future cash flows of the cash-generating units or the groups of cash-generating units of Gland Pharma and subsidiaries, Fosun Adgenvax and subsidiaries, Foshan Fosun Chancheng Hospital, Zhuhai Chancheng Hospital & GuangZhou Xinshi Hospital, Hengsheng Hospital, Avanc Pharma and subsidiaries, Fosun Xingmai, Breas, Shenyang Hongqi, Erye Pharma, Sisram Medical and subsidiaries and Jihe Hospital was also referred to the results of Shanghai Orient Appraisal Co., Ltd.'s report on 24 March 2026.

18. OTHER INTANGIBLE ASSETS

	Year ended 31 December 2025							
	Medicine licences RMB'000	Patents and technical know-how RMB'000	Office software RMB'000	Trademarks RMB'000	Business networks RMB'000	Deferred development costs RMB'000	Operating concession rights RMB'000	Total RMB'000
Cost:								
At 1 January 2025	5,225,009	6,598,313	495,431	1,139,381	2,540,965	4,928,329	2,621,080	23,548,508
Additions	23,625	91,192	185,548	200	—	1,899,700	10,036	2,210,301
Transfer	—	795,139	—	—	—	(795,139)	—	—
Disposals	(7,495)	(3,639)	(17,144)	(26)	—	—	(486,365)	(514,669)
Disposal of subsidiaries *(note 40)*	—	(626)	(3,593)	—	—	—	(64,113)	(68,332)
Reclassification	—	—	—	—	—	—	—	—
Exchange realignment	(8,419)	(137,858)	11,593	(1,339)	(57,268)	—	15,924	(177,367)
At 31 December 2025	5,232,720	7,342,521	671,835	1,138,216	2,483,697	6,032,890	2,096,562	24,998,441
Accumulated amortisation:								
At 1 January 2025	(1,037,789)	(2,676,911)	(346,681)	(140,879)	(1,208,739)	(1,711)	(757,065)	(6,169,775)
Amortisation for the year	(322,799)	(551,067)	(51,709)	(40,400)	(254,416)	—	(120,132)	(1,340,523)
Disposals	3,393	895	10,187	11	—	—	484,478	498,964
Disposal of subsidiaries *(note 40)*	—	290	1,168	—	—	—	—	1,458
Exchange realignment	1,772	77,144	(8,224)	19	38,861	—	(4,955)	104,617
At 31 December 2025	(1,355,423)	(3,149,649)	(395,259)	(181,249)	(1,424,294)	(1,711)	(397,674)	(6,905,259)
Impairment losses:								
At 1 January 2025	(64,000)	(20,614)	—	—	—	(58,774)	(475)	(143,863)
Provision	—	—	—	—	—	(28,135)	—	(28,135)
At 31 December 2025	(64,000)	(20,614)	—	—	—	(86,909)	(475)	(171,998)
Net carrying amount:								
At 31 December 2025	3,813,297	4,172,258	276,576	956,967	1,059,403	5,944,270	1,698,413	17,921,184
At 1 January 2025	4,123,220	3,900,788	148,750	998,502	1,332,226	4,867,844	1,863,540	17,234,870

18. OTHER INTANGIBLE ASSETS (Continued)

	Year ended 31 December 2024							
	Medicine licences RMB'000	Patents and technical know-how RMB'000	Office software RMB'000	Trademarks RMB'000	Business networks RMB'000	Deferred development costs RMB'000	Operating concession rights RMB'000	Total RMB'000
Cost:								
At 1 January 2024	4,155,308	6,214,556	465,092	1,205,470	2,471,330	3,921,481	1,859,423	20,292,660
Additions	83,408	9,516	37,954	180	—	1,909,703	258,959	2,299,720
Acquisition of subsidiaries	586,043	—	11,799	—	—	208,741	27,358	833,941
Investments received	—	14,905	—	6,388	—	—	—	21,293
Transfer	396,349	311,048	—	—	—	(1,111,596)	404,199	—
Disposals	—	(6,006)	(8,191)	—	—	—	(9,801)	(23,998)
Disposal of subsidiaries *(note 40)*	—	(7,433)	(11,879)	—	—	—	—	(19,312)
Reclassification	—	—	—	(90,000)	—	—	88,559	(1,441)
Exchange realignment	3,901	61,727	656	17,343	69,635	—	(7,617)	145,645
At 31 December 2024	5,225,009	6,598,313	495,431	1,139,381	2,540,965	4,928,329	2,621,080	23,548,508
Accumulated amortisation:								
At 1 January 2024	(555,022)	(2,225,750)	(312,110)	(100,661)	(1,063,031)	(1,711)	(623,836)	(4,882,121)
Acquisition of subsidiaries	(277,340)	—	(4,458)	—	—	—	(9,119)	(290,917)
Amortisation for the year	(206,688)	(455,767)	(41,741)	(40,142)	(140,417)	—	(133,468)	(1,018,223)
Disposals	—	12	8,191	—	—	—	8,032	16,235
Disposal of subsidiaries *(note 40)*	—	2,548	5,792	—	—	—	—	8,340
Exchange realignment	1,261	2,046	(2,355)	(76)	(5,291)	—	1,326	(3,089)
At 31 December 2024	(1,037,789)	(2,676,911)	(346,681)	(140,879)	(1,208,739)	(1,711)	(757,065)	(6,169,775)
Impairment losses:								
At 1 January 2024	(64,000)	(20,614)	—	—	—	(23,662)	(475)	(108,751)
Provision	—	—	—	—	—	(35,112)	—	(35,112)
At 31 December 2024	(64,000)	(20,614)	—	—	—	(58,774)	(475)	(143,863)
Net carrying amount:								
At 31 December 2024	4,123,220	3,900,788	148,750	998,502	1,332,226	4,867,844	1,863,540	17,234,870
At 1 January 2024	3,536,286	3,968,192	152,982	1,104,809	1,408,299	3,896,108	1,235,112	15,301,788

18. OTHER INTANGIBLE ASSETS (Continued)

As at 31 December 2025, the indefinite-life intangible assets of the Group are as follows:

Asset types	Holders	Net carrying amount RMB'000	Reasons of indefinite life
Medicine licences	Fosun Aleph, Dongting Pharma, Hongqi Pharma, Erye Pharma	307,000	The extension cost is low and the assets can be used indefinitely
Trademarks	Fosun Aleph, Dongting Pharma, Erye Pharma	31,000	The extension cost is low and the assets can be used indefinitely
Trademarks	CML, Alma*	203,485	The extension cost is low and the assets can be used indefinitely
Operating concession rights	Hengsheng Hospital	421,710	The extension cost is low and the assets can be used indefinitely
Patents and technical know-how	Shanghai Henlius	48,921	The extension cost is low and the assets can be used indefinitely
Total		1,012,116	

* Trademarks of CML and Alma are measured in USD.

The Group performs impairment tests for the above individual intangible assets or the respective cash-generating units depending on whether the recoverable amounts of individual intangible assets can be reliably estimated.

Medicine licences

The recoverable amounts of medicine licences have been determined based on a value-in-use calculation using cash flow projections based on a financial budget covering a nine-years period approved by senior management. The discount rates applied to the cash flow projections are in the range of 15.62% to 17.34%. The growth rate used to extrapolate the cash flows beyond the forecast period is 2.00%, which is also an estimate of the rate of inflation.

Trademarks

The recoverable amounts of trademarks have been determined based on a value-in-use calculation using cash flow projections based on a financial budget covering a period of five to nine years period approved by senior management. The discount rates applied to the cash flow projections is 16.75%. The growth rate used to extrapolate the cash flows beyond the forecast period is 2.00%, which is also an estimate of the rate of inflation.

Operating concession rights

The recoverable amounts of operating concession rights have been determined based on a value-in-use calculation using cash flow projection based on a financial budget covering a nine-year period approved by senior management. The discount rate applied to the cash flow projection is 14.97%. The growth rate used to extrapolate the cash flows beyond the forecast period is 2.00%, which is also an estimate of the rate of inflation.

18. OTHER INTANGIBLE ASSETS (Continued)

Patents and technical know-how

The recoverable amounts of the Patents and technical know-how were determined based on the fair value less costs of disposal, and the fair values of non-patent technologies were determined using the relief from the royalty method taking into account the nature of the asset, using cash flow projections based on financial budget covering a nine-year period approved by the management. The discount rate applied to the cash flow projection is 18.03%. The growth rate used to extrapolate the cash flows beyond the financial budget period is 2.00%, which is the long-term inflation rate.

Assumptions were used in the value-in-use calculation for 31 December 2025 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of indefinite-life intangible assets:

Forecasted revenue — The basis for determining this growth rate is an appropriate increase based on projected market developments on the basis of forecasted revenue achieved in the previous year.

Forecasted profit margin — The basis used to determine the value assigned to the forecasted profit margin is the average profit margin achieved in the year immediately before the forecast year, adjusted for expected efficiency adjustments and expected market development.

Discount rates — The discount rates used are the rates of return on investment required by the group.

The growth rates beyond the forecast period — The growth rates beyond the forecast period are the rates of inflation.

The values assigned to key assumptions are consistent with historical experience of the Group and external information sources.

19. INVESTMENTS IN JOINT VENTURES

	2025	2024
	RMB'000	RMB'000
Share of net assets	**441,535**	20,900

The Group's trade receivable balances due from the joint ventures are disclosed in note 26 to the financial statements.

The above investment in joint venture is indirectly held by the Company.

19. INVESTMENTS IN JOINT VENTURES (Continued)

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' loss for the year	**(8,499)**	(184,409)
Share of the joint ventures' other comprehensive (loss)/income	**(202)**	3,034
Share of the joint ventures' total comprehensive loss	**(8,701)**	(181,375)
Aggregate carrying amount of the Group's investments in the joint ventures	**441,535**	20,900

20. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	**26,002,114**	24,528,829
Goodwill on acquisition	**575,950**	769,441
Subtotal	**26,578,064**	25,298,270
Provision for impairment	**(686,351)**	(666,046)
Total	**25,891,713**	24,632,224

Movements in the provisions for impairment of investment in associates are as follows:

2025	At beginning of year RMB'000	Additions RMB'000	Disposals RMB'000	At end of year RMB'000
Provisions for impairment of:				
Sovereign Medical Services, Inc.	**222,657**	**—**	**—**	**222,657**
Saladax Biomedical, Inc.	**129,705**	**—**	**—**	**129,705**
Mingyi Zhonghe Technology (Beijing) Co., Ltd.	**64,982**	**—**	**—**	**64,982**
Integrated Endoscopy, Inc.	**30,097**	**—**	**—**	**30,097**
Others	**218,605**	**40,331**	**20,026**	**238,910**
Total	**666,046**	**40,331**	**20,026**	**686,351**

20. INVESTMENTS IN ASSOCIATES (Continued)

Movements in the provisions for impairment of investment in associates are as follows: (Continued)

2024	At beginning of year RMB'000	Additions RMB'000	Disposals RMB'000	At end of year RMB'000
Provisions for impairment of:				
Sovereign Medical Services, Inc.	222,657	—	—	222,657
Saladax Biomedical, Inc.	129,705	—	—	129,705
Mingyi Zhonghe Technology (Beijing) Co., Ltd.	64,982	—	—	64,982
Integrated Endoscopy, Inc.	30,097	—	—	30,097
Others	244,274	—	25,669	218,605
Total	691,715	—	25,669	666,046

Particulars of the Group's principal associates are as follows:

Company name*	Place of incorporation/ registration and business	Nominal value of issued/ registered share capital ('000)	Percentage of equity interest attributable to the Company Direct %	Indirect %	Principal activities
Sinopharm Industrial Investment Co., Ltd. (國藥產業投資有限公司)	PRC/Chinese mainland	RMB100,000	49.00	—	Distribution of pharmaceutical products

* The English names of the companies registered in the PRC represent the best efforts of the management of the Company in directly translating the Chinese names of these companies.

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results of the Group for the year. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

20. INVESTMENTS IN ASSOCIATES (Continued)

Sinopharm Industrial Investment Co., Ltd. ("Sinopharm Industrial"), which is considered a material associate of the Group, has significant impact on the share of profits and losses of associates and is accounted for using the equity method.

The following table illustrates the summarised financial information of Sinopharm Industrial, adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

	2025	2024
	RMB'000	RMB'000
Revenue	**575,167,877**	584,507,930
Profit for the year	**10,819,210**	10,414,397
Other comprehensive income	**16,629**	(6,445)
Total comprehensive income for the year	**10,835,839**	10,407,952
Profit for the year attributable to owners of the parent of Sinopharm Industrial	**3,597,871**	3,546,132
Current assets	**345,698,870**	346,125,795
Non-current assets	**44,605,129**	46,638,366
Current liabilities	**(246,659,174)**	(250,306,731)
Non-current liabilities	**(9,200,064)**	(15,450,885)
Net assets	**134,444,761**	127,006,545
Net assets attributable to owners of the parent of Sinopharm Industrial	**42,594,596**	40,069,326
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	**49%**	49%
Group's share of net assets of the associate	**20,871,352**	19,633,970
Goodwill on acquisition (less cumulative impairment)	**—**	—
Carrying amount of the investment	**20,871,352**	19,633,970
Dividend received by the Group	**525,471**	671,413

20. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profit for the year	**169,521**	90,643
Share of the associates' other comprehensive (loss)/income	**(873)**	31,654
Share of the associates' total comprehensive income	**168,648**	122,297
Aggregate carrying amount of the Group's investments in the associates	**5,020,361**	4,998,254

During the year ended 31 December 2025, the Group mainly disposed the Nature's Sunshine Products, Inc. and New Frontier Health Corporation, which the disposal of carry amount was RMB266,039,000 and RMB88,945,000, respectively.

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Equity investments designated at fair value through other comprehensive income		
Listed equity investments, at fair value		
Sichuan Huiyu Pharmaceutical Co., Ltd.	**13,662**	11,673
Others	**5,556**	4,761
Total	**19,218**	16,434

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The cumulative loss on transfer to retained earnings from derecognition of investments in other equity instruments for the year was nil (2024: RMB3,781,000).

During the year ended 31 December 2025, the Group received dividends in the amounts of RMB212,000 (2024: RMB209,000).

22. DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the year are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Provision for impairment of assets RMB'000	Depreciation and amortisation RMB'000	Accrued expenses RMB'000	Unrealised profit RMB'000	Deferred income RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Lease liabilities RMB'000	Total RMB'000
At 31 December 2024	377,602	76,685	9,204	187,566	96,829	33,206	1,289	377,008	1,159,389
Disposal of subsidiaries *(note 40)*	(13,369)	—	—	—	—	—	—	—	(13,369)
Deferred tax credited/(charged) to the statement of profit or loss during the year	33,728	21,231	(5,470)	127,908	11,548	(529)	—	65,460	253,876
Gross deferred tax assets at 31 December 2025	397,961	97,916	3,734	315,474	108,377	32,677	1,289	442,468	1,399,896

Deferred tax liabilities

	Fair value remeasurements of the remaining equity interest in associates arising from the disposal of subsidiaries and other temporary differences RMB'000	Deemed disposal of associates RMB'000	Fair value adjustments arising from financial assets at fair value through profit or loss RMB'000	Fair value adjustments of equity investment designated at fair value RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Depreciation RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 31 December 2024	201,292	1,163,439	2,956	625	1,729,335	163,567	385,558	3,646,772
Disposal of subsidiaries *(note 40)*	(15,575)	—	—	—	—	—	—	(15,575)
Deferred tax (credited)/charged to the statement of profit or loss during the year	234,346	—	(257)	—	(170,381)	(58,367)	66,783	72,124
Deferred tax charged to reserves during the year	—	—	—	119	—	—	—	119
Exchange differences	(2,644)	—	—	—	(26,430)	—	—	(29,074)
Gross deferred tax liabilities at 31 December 2025	417,419	1,163,439	2,699	744	1,532,524	105,200	452,341	3,674,366

22. DEFERRED TAX (Continued)

The movements in deferred tax assets/(liabilities) during the year are as follows: (Continued)

Deferred tax assets

	Losses available for offsetting against future taxable profits RMB'000	Provision for impairment of assets RMB'000	Depreciation and amortisation RMB'000	Accrued expenses RMB'000	Unrealised profit RMB'000	Deferred income RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Lease liabilities RMB'000	Total RMB'000
At 31 December 2023	287,911	46,402	6,344	179,417	100,016	49,782	3,303	231,679	904,854
Disposal of subsidiaries *(note 40)*	—	(431)	—	—	—	—	—	—	(431)
Deferred tax credited/(charged) to the statement of profit or loss during the year	89,691	30,714	2,860	8,149	(3,187)	(16,576)	(2,014)	145,329	254,966
Gross deferred tax assets at 31 December 2024	377,602	76,685	9,204	187,566	96,829	33,206	1,289	377,008	1,159,389

22. DEFERRED TAX (Continued)

The movements in deferred tax assets/(liabilities) during the year are as follows: (Continued)

Deferred tax liabilities

	Fair value remeasurements of the remaining equity interest in associates arising from the disposal of subsidiaries and other temporary differences RMB'000	Deemed disposal of associates RMB'000	Fair value adjustments arising from financial assets at fair value through profit or loss RMB'000	Fair value adjustments of equity investment designated at fair value RMB'000	Fair value adjustments arising from acquisitions of subsidiaries RMB'000	Depreciation RMB'000	Right-of-use assets RMB'000	Total RMB'000
At 31 December 2023	200,444	1,163,439	2,830	583	1,888,027	240,697	229,554	3,725,574
Disposal of subsidiaries *(note 40)*	—	—	—	—	—	(399)	—	(399)
Deferred tax (credited)/charged to the statement of profit or loss during the year	—	—	126	—	(185,212)	(76,731)	156,004	(105,813)
Deferred tax charged to reserves during the year	—	—	—	42	—	—	—	42
Exchange differences	848	—	—	—	26,520	—	—	27,368
Gross deferred tax liabilities at 31 December 2024	201,292	1,163,439	2,956	625	1,729,335	163,567	385,558	3,646,772

Net deferred tax assets and net deferred tax liabilities as at the respective reporting dates are as follows:

	2025		2024	
	Offset amount RMB'000	**Net amount RMB'000**	Offset amount RMB'000	Net amount RMB'000
Deferred tax assets	**414,560**	**985,336**	401,613	757,776
Deferred tax liabilities	**414,560**	**3,259,806**	401,613	3,245,159

22. DEFERRED TAX (Continued)

Deferred tax assets have not been recognised in respect of the following items as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the following items can be utilised:

	2025 RMB'000	2024 RMB'000
Tax losses	**14,485,191**	11,342,605
Deductible temporary differences	**1,750,233**	1,645,725
Total	**16,235,424**	12,988,330

There are no income tax consequences attaching to the payments of dividends by the Company to its shareholders.

23. TRADE RECEIVABLES-NON-CURRENT

	2025 RMB'000	2024 RMB'000
Trade receivables	**222,020**	206,203
Impairment	**(8,481)**	(6,767)
Net carrying amount	**213,539**	199,436

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

	2025 RMB'000	2024 RMB'000
At beginning of year	**6,767**	5,112
Impairment losses, net	**3,028**	6,285
Amounts written off as uncollectible	**—**	(4,300)
Exchange realignment)	**(1,314)**	(330)
At end of year	**8,481**	6,767

24. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments for purchase of items of property, plant and equipment	**391,462**	320,827
Prepayments for acquisitions of equity investment	**100,000**	385
Prepayments for purchase of other intangible assets	**590,102**	564,347
Others	**198,332**	227,521
Total	**1,279,896**	1,113,080

Included in the Group's other non-current assets are amounts due from a related party of the Group of RMB172,443,000 (2024: RMB147,026,000) arising from prepayments for purchase of items of property, plant and equipment. The balances were non-interest-bearing.

25. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	**1,712,284**	1,813,490
Work in progress	**1,015,126**	1,062,160
Finished goods	**3,095,702**	3,831,556
Spare parts and consumables	**636,890**	669,804
Others	**82,768**	144,294
	6,542,770	7,521,304
Provision	**(290,298)**	(262,655)
Total	**6,252,472**	7,258,649

26. TRADE AND BILLS RECEIVABLES/DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Trade receivables	**9,364,522**	7,952,073
Bills receivable	**62,368**	72,360
Total	**9,426,890**	8,024,433

	2025 RMB'000	2024 RMB'000
Debt investments at fair value through other comprehensive income	**411,548**	612,973

If an entity's business model for the management of bank notes is aimed at both the collection of contract cash flows and the sale, it is classified as financial assets measured at fair value through other comprehensive income.

The credit period for trade receivables is generally three months, which may be extended up to six months for major customers. Trade and bills receivables are non-interest-bearing.

An ageing analysis of trade receivables, based on the invoice date and net of loss allowance, as at the respective reporting dates is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	**9,210,099**	7,754,376
1 to 2 years	**302,540**	275,391
2 to 3 years	**124,161**	143,146
Over 3 years	**106,443**	89,807
Total	**9,743,243**	8,262,720
Impairment	**(378,721)**	(310,647)
Net Carrying Amount	**9,364,522**	7,952,073

26. TRADE AND BILLS RECEIVABLES/DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

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

	2025 RMB'000	2024 RMB'000
At beginning of year	**310,647**	269,196
Impairment losses, net	**120,104**	101,391
Amounts written off as uncollectible	**(52,030)**	(59,940)
At end of year	**378,721**	310,647

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	**1.16%**	**5.58%**	**100.00%**	**100.00%**	**100.00%**	**3.89%**
Gross carrying amount (RMB'000)	**7,862,392**	**1,687,240**	**81,738**	**52,812**	**59,061**	**9,743,243**
Expected credit losses (RMB'000)	**90,989**	**94,121**	**81,738**	**52,812**	**59,061**	**378,721**

As at 31 December 2024

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	0.80%	5.50%	100.00%	100.00%	100.00%	3.76%
Gross carrying amount (RMB'000)	6,443,812	1,650,514	74,208	40,445	53,741	8,262,720
Expected credit losses (RMB'000)	51,430	90,823	74,208	40,445	53,741	310,647

26. TRADE AND BILLS RECEIVABLES/DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

Included in the Group's trade receivables are amounts due from the Group's associates of RMB1,647,067,000 (2024: RMB1,027,020,000), the Group's joint ventures of RMB1,093,000 (2024: nil) and other related companies of RMB21,910,000 (2024: RMB18,977,000). Included in the Group's debt investments at fair value through other comprehensive income are amounts due from the Group's associates of RMB69,681,000 (2024: RMB151,610,000). These balances due from associates, joint ventures and other related companies were trade in nature, non-interest-bearing and collectible on credit terms similar to those offered to the major customers of the Group.

27. CONTRACT ASSETS

	2025	2024
	RMB'000	RMB'000
Contract assets arising from:		
Research and development services	**17,408**	43,928
Profit-sharing	**98,960**	83,625
	116,368	127,553
Impairment allowance	**—**	—
Total	**116,368**	127,553

Contract assets are initially recognised for revenue earned from research and development services as the receipt of consideration is based on achieving of operational milestones under development plan. Included in contract assets for research and development services are retention receivables. Upon achievement of operational milestones, the amounts recognised as contract assets are reclassified to trade receivables.

Contract assets are initially recognised for revenue earned from profit-sharing as the receipt of consideration is based on profit earned by the customer from selling the product in the market. Upon achievement of settlement conditions, the amounts recognised as contract assets are reclassified to trade receivables.

During the year ended 31 December 2025, no allowance was recognised for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 26 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025	2024
	RMB'000	RMB'000
Within one year	**116,368**	127,553

28. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Advances to suppliers	**877,861**	864,975
Other receivables	**1,398,790**	1,432,806
	2,276,651	2,297,781
Impairment allowance	**(21,356)**	(25,227)
Total	**2,255,295**	2,272,554

An ageing analysis of prepayments, other receivables and other assets as at the respective reporting dates, net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	**1,992,463**	1,966,593
1 to 2 years	**104,782**	159,025
2 to 3 years	**80,086**	74,546
Over 3 years	**99,320**	97,617
	2,276,651	2,297,781
Less: Loss allowance for impairment of other receivables	**(21,356)**	(25,227)
Total	**2,255,295**	2,272,554

28. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (Continued)

The changes in the impairment allowance for other receivables based on 12-month and the entire life expectancy expected credit losses are as follows:

	Stage 1 12-month ECLs RMB'000	**Stage 2 Lifetime ECLs RMB'000**	**Stage 3 Lifetime ECLs RMB'000**	**Total RMB'000**
At 1 January 2025	**25,227**	**—**	**—**	**25,227**
The balance of 1 January 2025 in this year — Stage Transition	**(5,914)**	**—**	**5,914**	**—**
Provision/Reversal for impairment losses for this year	**2,043**	**—**	**—**	**2,043**
Amounts written off as uncollectible for this year	**—**	**—**	**(5,914)**	**(5,914)**
At 31 December 2025	**21,356**	**—**	**—**	**21,356**

	Stage 1 12-month ECLs RMB'000	Stage 2 Lifetime ECLs RMB'000	Stage 3 Lifetime ECLs RMB'000	Total RMB'000
At 1 January 2024	42,175	—	—	42,175
The balance of 1 January 2024 in this year — Stage Transition	(16,773)	—	16,773	—
Provision/Reversal for impairment losses for this year	(175)	—	3,130	2,955
Amounts written off as uncollectible for this year	—	—	(19,903)	(19,903)
At 31 December 2024	25,227	—	—	25,227

Included in the Group's prepayments, other receivables and other assets are amounts due from the Group's associates of RMB5,262,000 (2024: RMB10,990,000), the Group's joint ventures of RMB1,564,000 (2024: nil) and other related companies of RMB11,134,000 (2024: RMB8,325,000), respectively. These balances were non-interest-bearing and collectible on demand.

29. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Listed equity investments, at fair value	**1,169,815**	1,322,260
Other unlisted equity investments, at fair value	**1,962,479**	2,410,866
Debt investments, at fair value	**—**	20,000
Total	**3,132,294**	3,753,126
Current portion	**2,253,870**	2,595,997
Non-current portion	**878,424**	1,157,129

The above equity investments at 31 December 2025 and 31 December 2024 were classified as financial assets at fair value through profit or loss as they were held for trading, or as the group has not elected to recognize the fair value gain or loss through other comprehensive income.

30. CASH AND BANK BALANCES

	2025 RMB'000	2024 RMB'000
Cash on hand	**3,405**	3,162
Cash at banks and other financial institutions, unrestricted	**9,034,606**	9,388,288
Cash and cash equivalents as stated in the consolidated statement of cash flows	**9,038,011**	9,391,450
Restricted bank balances to secure bills payable and for other purposes	**335,021**	508,368
Term deposits with original maturity of more than three months	**3,731,198**	3,624,115
Cash and bank balances as stated in the consolidated statement of financial position	**13,104,229**	13,523,933

30. CASH AND BANK BALANCES (Continued)

As at 31 December 2025, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RMB8,318,206,000 (2024: RMB9,560,092,000). The RMB is not freely convertible into other currencies. However, under Chinese Mainland's prevailing rules and regulations over foreign exchange, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. Term deposits with original maturity of more than three months earn interest at fixed interest rates for varying periods of between three months and one year. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. Details of interest earned on deposits in Fosun Finance are set out in note 45(e) to the financial statements.

31. TRADE AND BILLS PAYABLES

	2025	2024
	RMB'000	RMB'000
Trade payables	**4,856,045**	5,378,370
Bills payable	**287,969**	619,015
Total	**5,144,014**	5,997,385

Trade and bills payables are non-interest-bearing. Trade payables are normally settled on a two-month term, and bills payable are normally settled on 90-day to 180-day terms.

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

	2025	2024
	RMB'000	RMB'000
Within 1 year	**4,775,135**	5,752,977
1 to 2 years	**216,577**	159,899
2 to 3 years	**69,720**	19,743
Over 3 years	**82,582**	64,766
Total	**5,144,014**	5,997,385

Included in the Group's trade payables are amounts due to the Group's associates and other related companies of RMB149,361,000 (2024: RMB126,946,000), and RMB58,089,000 (2024: RMB51,830,000), respectively. These balances due to associates and other related companies were trade in nature, non-interest-bearing and repayable on credit terms similar to those offered by the associates and other related companies to their major customers.

32. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Payables relating to purchases of items of property, plant and equipment		**488,820**	625,814
Deposits received		**215,673**	273,266
Payroll		**2,274,748**	1,978,490
Value-added tax		**176,125**	157,150
Other taxes		**114,658**	124,881
Accrued interest expenses		**73,116**	74,212
Dividends payable to non-controlling shareholders of subsidiaries		**22,600**	13,328
Other accrued expenses		**2,652,847**	2,577,170
Payables for acquisitions of non-controlling interests, and subsidiaries		**17,120**	151,192
Subscription to restricted shares		**—**	19,100
Advances for equity disposal of associates and subsidiaries		**—**	88,594
Payables for purchases of fixed assets on installment		**236,833**	47,660
Loans from related parties	(ii)	**40,599**	38,652
Share redemption option granted to non-controlling shareholders of subsidiaries		**1,366,948**	—
Other payables	(i)	**611,811**	873,287
		8,291,898	7,042,796
Less: Non-current portion of payables for acquisitions of non-controlling interests and subsidiaries *(note 37)*		**(6,500)**	(59,652)
Total		**8,285,398**	6,983,144

Notes:

(i) Other payables are non-interesting-bearing and repayable on demand.

(ii) Included in the Group's loans from related parties are amounts due to the Group's other related companies of RMB40,599,000 (2024: RMB38,652,000). The annual interest rates are between 3.00% and 4.15%.

33. INTEREST-BEARING BANK AND OTHER BORROWINGS

	31 December 2025			31 December 2024		
	Effective Interest rate (%)	Maturity	RMB'000	Effective Interest rate (%)	Maturity	RMB'000
Current						
Bank loans — unsecured	**0.30–5.25**	**2026**	**15,322,556**	0.50–5.00	2025	18,517,920
Bank loans — secured *(note (a))*	**2.30–4.45**	**2026**	**178,415**	1.80–4.00	2025	169,785
Current portion of long term bank loans — unsecured	**0.30–3.90**	**2026**	**4,869,706**	0.35–6.12	2025	3,655,539
bank loans — secured *(note (a))*	**2.83–4.50**	**2026**	**481,644**	3.18–6.18	2025	276,896
Corporate bonds — unsecured *(note (b))*	**4.20**	**2026**	**240,000**	—	—	—
Total-current			**21,092,321**			22,620,140
Non-current						
Bank loans — unsecured	**0.30–4.75**	**2027–2030**	**8,896,436**	0.30–7.04	2026–2030	8,327,506
Bank loans — secured *(note (a))*	**2.83–4.50**	**2027–2035**	**1,465,555**	3.18–6.18	2026–2034	1,875,994
Subtotal-non-current			**10,361,991**			10,203,500
Corporate bonds — unsecured *(note (c))*	**3.10**	**2027**	**500,000**	4.20	2026	240,000
	2.70	**2027**	**1,000,000**			
Total-non-current			**11,861,991**			10,443,500
Total			**32,954,312**			33,063,640

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans and overdrafts repayable:		
Within one year or on demand	**20,852,321**	22,620,140
In the second year	**4,635,776**	4,575,231
In the third to fifth years, inclusive	**5,523,965**	5,432,670
Beyond five years	**202,250**	195,599
Subtotal	**31,214,312**	32,823,640
Other borrowings repayable:		
Within one year	**240,000**	—
In the second year	**1,500,000**	240,000
Subtotal	**1,740,000**	240,000
Total	**32,954,312**	33,063,640

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Foreign currency loans

	2025 RMB'000	2024 RMB'000
USD:		
Unsecured	**37,281**	1,335,263
EUR:		
Unsecured	**3,208,936**	3,205,768
SEK:		
Secured	**11,414**	9,185

Notes:

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

(i) mortgages over the Group's buildings, which had a net carrying value at the end of the reporting period of approximately RMB2,344,219,000 (2024: RMB1,828,910,000);

(ii) mortgages over the Group's prepaid land lease payments, which had a net carrying value at the end of the reporting period of approximately RMB619,310,000 (2024: RMB615,111,000);

(iii) mortgages over the Group's construction in progress, which had a net carrying value at the end of the reporting period of approximately RMB392,390,000 (2024: RMB768,379,000);

(iv) mortgages over the Group's patent, which had a net carrying value at the end of the reporting period of approximately RMB173,000 (2024: RMB227,000);

(v) pledge of accounts receivables, which had a net carrying value at the end of the reporting period of approximately RMB18,757,000 (2024: Nil);

(vi) Factoring of accounts receivables, which had a net carrying value at the end of the reporting period of Nil (2024: RMB24,000,000);

(vii) 58.67% equity of its subsidiary Suzhou Baidao Medical Technology Co., Ltd. (2024: 58.67%). 6.00% equity of its subsidiary Jianjia Medical Investment Management Co., Ltd. (2024: 6.00%).

33. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

Foreign currency loans (Continued)

Notes: (Continued)

(b) On 9 March 2022 the Company issued medium-term notes with a maturity of four years in an aggregate amount of RMB500,000,000, which bear interest at 3.50% per annum. The interest is payable annually in arrears and the maturity date is 9 March 2026. As at 31 December 2025, the book value of the four-year corporate bonds is RMB240,000,000 at an interest rate of 4.20%.

(c) On 24 April 2025 the Company issued medium-term notes with a maturity of two years in an aggregate amount of RMB500,000,000, which bear interest at 3.10% per annum. The interest is payable annually in arrears and the maturity date is 25 April 2027. As at 31 December 2025, the book value of the two-year corporate bonds is RMB500,000,000.

On 6 August 2025 the Company issued the second tranche of scientific and technological innovation bonds for 2025 with a maturity of two years in an aggregate amount of RMB1,000,000,000, which bear interest at 2.70% per annum. The interest is payable annually in arrears and the maturity date is 7 August 2027. As at 31 December 2025, the book value of the two-year corporate bonds is RMB1,000,000,000.

34. LEASE LIABILITIES

	31 December 2025		31 December 2024	
	Maturity	RMB'000	Maturity	RMB'000
Current				
Lease liability	2026	348,401	2025	340,981
Non-current				
Lease liability	2027–2046	3,050,770	2026–2044	2,541,968
Total		3,399,171		2,882,949

	2025 RMB'000	2024 RMB'000
Analysed into:		
Lease liabilities:		
Within one year	348,401	340,981
In the second to fifth years, inclusive	1,257,874	1,843,987
Beyond five years	1,792,896	697,981
Total	3,399,171	2,882,949

35. CONTRACT LIABILITIES

Details of contract liabilities as at 31 December 2025 are as follows:

	2025 RMB'000	2024 RMB'000
Warranty services	**109,936**	88,727
Advances from customers	**2,279,082**	1,578,223
Total contract liabilities	**2,389,018**	1,666,950
Current portion	**1,299,979**	1,232,315
Non-current portion	**1,089,039**	434,635

Contract liabilities include advances received to deliver products and warranty services.

Included in the Group's contract liabilities are amounts due to the Group's associates, other related companies of RMB98,110,000 (2024: RMB19,001,000), and RMB46,000 (2024: RMB125,000), respectively. These balances were non-interest-bearing and repayable on demand.

36. DEFERRED INCOME

	Note	2025 RMB'000	2024 RMB'000
Government grants	(i)	**653,383**	657,891

Note:

(i) Government grants were received by the Group as financial subsidies for some research and development projects, industrial development funds and value-added tax refund. Government grants are recognised as income over the periods necessary to match the grants on a systematic basis to the costs that they are intended to compensate. There are no unfulfilled conditions or contingencies relating to these grants.

The movements in government grants during the year are as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	**657,891**	639,399
Additions	**165,295**	117,408
Recognised as income during the year	**(169,803)**	(98,916)
At 31 December	**653,383**	657,891

37. OTHER LONG-TERM LIABILITIES

	Notes	2025 RMB'000	2024 RMB'000
Staff placement fees	(i)	**20,702**	21,070
Payables for acquisitions of non-controlling interests and subsidiaries		**6,500**	59,652
Share redemption option granted to non-controlling shareholders of subsidiaries		**53,487**	1,427,655
Payables for purchases of fixed assets on instalment		**257,201**	200,815
Long-term employee payable		**113,639**	189,446
Other financial liabilities		**979,129**	536,295
Others		**443,654**	316,083
Total		**1,874,312**	2,751,016

Notes:

(i) Staff placement fees represent liabilities incurred by certain subsidiaries of the Company before 2008 in respect of the retirement benefits of certain employees and retirees.

38. SHARE CAPITAL

	2025		2024	
	Number of shares '000	Nominal value RMB'000	Number of shares '000	Nominal value RMB'000
Shares				
Restricted shares				
A Shares of RMB1 each	**—**	**—**	897	897
Unrestricted shares				
A Shares of RMB1 each	**2,118,488**	**2,118,488**	2,118,488	2,118,488
H Shares of RMB1 each	**551,941**	**551,941**	551,941	551,941
	2,670,429	**2,670,429**	2,671,326	2,671,326

38. SHARE CAPITAL (Continued)

A summary of movements in the company's share capital is as follows:

	Note	2025 Number of shares '000	2025 Nominal value RMB'000	2024 Number of shares '000	2024 Nominal value RMB'000
At 1 January		**2,671,326**	**2,671,326**	2,672,399	2,672,399
Share incentive scheme		**—**	**—**	—	—
Shares repurchased	(i)	**(897)**	**(897)**	(1,073)	(1,073)
At 31 December		**2,670,429**	**2,670,429**	2,671,326	2,671,326

Note:

(i) The meeting of Board of Directors and Board of Supervisors approved the proposal to repurchase and cancel a portion of the restricted A Shares that have not been released from sale on 11 April 2025. 897,140 restricted A Shares has been repurchased and cancelled accordingly, with a total consideration of RMB19,100,000.

39. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity on pages 147 to 148 of the financial statements.

Statutory surplus reserve

According to the relevant PRC regulations and the articles of association of the Company in the PRC, the Company is required to transfer 10% of its profit after income tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. The transfer to this reserve must be made before the distribution of dividends to equity owners. The statutory surplus reserve can be used to make good previous years' losses, if any, and may be converted into paid-in capital/issued share capital in proportion to the existing interests of equity owners, provided that the balance after such conversion is not less than 25% of its registered capital. This reserve is non-distributable other than in liquidation.

40. DISPOSAL OF SUBSIDIARIES

During the year ended 31 December 2025, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 98.6% of equity interest in Shanghai Zegu Hospital Investment Management Co., Ltd.* for a consideration of RMB112,748,000. The disposal date was 10 April 2025. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2025, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 100% of equity interest in Wuxi Guoyao Health & Wellness Services Co., Ltd.* for a consideration of RMB26,132,000. The disposal date was 14 April 2025. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2025, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 100% of equity interest in Guoyao Health & Wellness Industry (Shanghai) Co., Ltd.* for a consideration of RMB106,210,000. The disposal date was 18 April 2025. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2025, the Group entered into an equity interest transfer agreement with two related parties and an independent third party, to dispose of 55% of equity interest in Shanghai Fujian Equity Investment Fund Management Co., Ltd.* for a consideration of RMB26,540,000. The disposal date was 18 April 2025. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2025, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 100% of equity interest in Hainan Hongxiang Qiyu Pharmaceutical Health Technology Co., Ltd.* for a consideration of RMB1,600,000. The disposal date was 16 October 2025. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2025, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 51% of equity interest in Shandong Wanbang Sainuokang Biochemical Pharmaceutical Co., Ltd.* for a consideration of RMB12,750,000. The disposal date was 19 November 2025. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

During the year ended 31 December 2025, the Group entered into an equity interest transfer agreement with an independent third party, to dispose of 100% of equity interest in Suzhou Fosun Medical Technology Co., Ltd.* for a consideration of RMB31,154,000. The disposal date was 9 December 2025. This subsidiary was not included in the consolidated financial statements of the Group hereafter.

* The English names of the companies registered in the PRC represent the best efforts made by the management of the Company in directly translating the Chinese names of these companies.

40. DISPOSAL OF SUBSIDIARIES (Continued)

The financial information of above subsidiaries at the date of disposal is as follows:

	Notes	2025 RMB'000	2024 RMB'000
Net assets disposed of:			
Property, plant and equipment	15	**92,578**	921,372
Right-of-use assets	16(a)	**44,553**	50,956
Other intangible assets	18	**66,874**	10,972
Deferred tax assets	22	**13,369**	431
Investments in associates		**21,769**	—
Other non-current assets		**385**	12,710
Inventory		**32,604**	12,890
Trade and bills receivables		**50,004**	84,705
Prepayments, other receivables and other assets		**132,978**	17,787
Cash and cash equivalents		**64,974**	62,669
Interest-bearing bank and other borrowings-current		**(22,900)**	(77,790)
Trade and bills payables		**(24,355)**	(74,709)
Other payables and accruals		**(128,158)**	(220,074)
Contract liabilities		**(38,954)**	(44,852)
Tax payable		**(3,246)**	(21)
Provision		**—**	(2,611)
Lease liabilities — current	16(b)	**(1,621)**	(2,367)
Deferred tax liabilities	22	**(15,575)**	(399)
Interest-bearing bank and other borrowings-non current		**—**	(381,776)
Lease liabilities — non current	16(b)	**(33,441)**	(1,770)
Non-controlling interests		**(27,857)**	(133,214)
Goodwill	17	**14,407**	13,785
Fair value remeasurement of existing equity in the subsidiary		**(16,384)**	(44,186)
Gain/(Loss) on disposal of subsidiaries		**95,130**	(29,508)
Total consideration		**317,134**	175,000
Satisfied by:			
Cash		**317,134**	175,000

40. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2025 RMB'000	2024 RMB'000
Cash consideration	**317,134**	175,000
Cash and bank balances disposed of	**(64,974)**	(62,669)
Receipt of consideration from the disposal of subsidiaries in prior years	**77,990**	—
Advances for equity disposal of subsidiaries in previous year	**(88,593)**	—
Cash considerations to be received	**(16,033)**	(69,500)
Advances for equity disposal of subsidiaries	**5,100**	88,593
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**230,624**	131,424

41. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB1,066,677,000 (2024: RMB853,586,000) and RMB1,090,000,000 (2024: RMB863,295,000), respectively, in respect of lease arrangements for buildings, plant and equipment and motor vehicles.

(b) Changes in liabilities arising from financing activities

2025

	Bank and other loans RMB'000	Lease liabilities RMB'000	Loans from related parties included in other payables and accruals RMB'000	Interest payable RMB'000
At 1 January 2025	**33,063,640**	**2,882,949**	**38,652**	**74,212**
Changes from financing cash flows	**(235,775)**	**(488,258)**	**—**	**—**
New leases	**—**	**1,090,000**	**—**	**—**
Lease termination	**—**	**(175,519)**	**—**	**—**
Interest paid	**—**	**—**	**—**	**(1,099,940)**
Foreign exchange movement	**149,347**	**(9,014)**	**—**	**(52,694)**
Interest expense	**—**	**134,075**	**1,947**	**1,129,329**
Increase arising from acquisition of subsidiaries	**—**	**—**	**—**	**—**
Decrease arising from disposal of subsidiaries	**(22,900)**	**(35,062)**	**—**	**—**
Interests capitalised under construction in progress	**—**	**—**	**—**	**22,209**
At 31 December 2025	**32,954,312**	**3,399,171**	**40,599**	**73,116**

41. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities (Continued)

2024

	Bank and other loans RMB'000	Lease liabilities RMB'000	Loans from related parties included in other payables and accruals RMB'000	Interest payable RMB'000
At 1 January 2024	32,573,741	2,379,114	34,924	82,085
Changes from financing cash flows	565,684	(426,788)	3,728	—
New leases	—	863,295	—	—
Lease termination	—	(27,858)	—	—
Interest paid	—	—	—	(1,337,318)
Foreign exchange movement	143,689	(7,293)	—	(24,306)
Interest expense	92	99,863	—	1,331,960
Increase arising from acquisition of subsidiaries	240,000	6,753	—	—
Decrease arising from disposal of subsidiaries	(459,566)	(4,137)	—	—
Interests capitalised under construction in progress	—	—	—	21,791
At 31 December 2024	33,063,640	2,882,949	38,652	74,212

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flow is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	**123,772**	86,832
Within financing activities	**488,258**	426,788
Total	**612,030**	513,620

42. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests:		
Gland Pharma	**48.17%**	48.17%

	2025 RMB'000	2024 RMB'000
Profit for the year allocated to non-controlling interests:		
Gland Pharma	**247,978**	183,225

	2025 RMB'000	2024 RMB'000
Accumulated balances of non-controlling interests at the reporting date:		
Gland Pharma	**3,943,740**	4,085,257

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

	2025 RMB'000	2024 RMB'000
Revenue	**5,014,081**	4,898,370
Total expenses	**(697,648)**	(622,762)
Profit for the year	**539,870**	405,444
Total comprehensive income for the year	**(96,216)**	(235,493)
Current assets	**5,579,226**	5,475,403
Non-current assets	**4,814,395**	5,057,985
Current liabilities	**(1,260,076)**	(1,192,241)
Non- current liabilities	**(647,780)**	(759,165)
Net cash flows from operating activities	**780,677**	822,509
Net cash flows used in investing activities	**(798,941)**	(950,708)
Net cash flows from financing activities	**130,895**	164,128
Net decrease in cash and cash equivalents	**112,631**	35,929

43. SHARE OPTION SCHEME

(a) Share Incentive Schemes

On 29 August 2022, the Company convened the Thirteenth Meeting of the Ninth Session of the Board of Directors and the Third Meeting of the Ninth Session of the Supervisory Committee in 2022, respectively, at which the *2022 Restricted A-Share Incentive Plan of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Draft)* (the "2022 Restricted A-Share Incentive Plan") and its summary, along with related proposals, were reviewed and approved. On 29 November 2022, the Company convened the 2022 Second Extraordinary General Meeting, the 2022 Second A-Share Class Meeting, and the 2022 Second H-Share Class Meeting, at which the 2022 Restricted A-Share Incentive Plan and its summary, along with related proposals, were reviewed and approved by special resolution. The Board of Directors was authorized to determine the grant date for the 2022 Restricted A-Share Incentive Plan, to grant A-Share restricted stocks to the grantees when they meet the conditions, and to handle all necessary matters for the grant of A-Share restricted stocks.

On 11 April 2025, the Seventy-sixth Meeting of the Ninth Session of the Board of Directors and the Second Meeting of the Ninth Session of the Supervisory Committee in 2025 of the Company reviewed and approved the proposal regarding the repurchase and cancellation of a portion of the non-released A-Share restricted stocks. In accordance with the authorization from the relevant shareholders' meeting and the provisions of the 2022 Restricted A-Share Incentive Plan, the Company agreed to repurchase and cancel a total of 897,140 A-Share restricted stocks, with a total repurchase price of RMB19,100,000.

On 22 August 2025, the Company convened the Seventh Meeting of the Tenth Session of the Board of Directors, at which the *2025 A-Share Option Incentive Plan of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Draft)* (the "2025 A-Share Option Plan") and its summary, along with related proposals, were reviewed and approved. On 23 October 2025, the Company convened the 2025 First Extraordinary General Meeting, at which the 2025 A-Share Option Plan and its summary, along with related proposals, were reviewed and approved. The Board of Directors was authorized to determine the grant date for the Plan, to grant A-Share options to the grantees when they meet the conditions, and to handle all necessary matters for the grant.

On 4 November 2025, the Fourteenth Meeting of the Tenth Session of the Board of Directors of the Company reviewed and approved the proposal regarding matters related to the initial grant under the 2025 A-Share Option Plan. The Board of Directors determined that the conditions for the initial grant under this incentive plan had been satisfied, and agreed to designate 4 November 2025, as the initial grant date, granting 4,535,100 A-Share options to 195 grantees. On 2 December 2025, the registration of such grants was completed, resulting in a total of 4,446,400 A-Share options being granted to 182 grantees.

43. SHARE OPTION SCHEME (Continued)

(a) Share Incentive Schemes (Continued)

On 22 August 2025, the Company convened the Seventh Meeting of the Tenth Session of the Board of Directors, at which the *2025 H-Share Restricted Share Unit Plan of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (Draft)* (the "2025 H-Share Restricted Share Unit Plan") and related proposals were reviewed and approved. On 23 October 2025, the Company convened the 2025 First Extraordinary General Meeting, at which the 2025 H-Share Restricted Share Unit Plan and related proposals were reviewed and approved. The Board of Directors was authorized to determine the grant date for the Plan, to grant H-Share restricted share units to eligible employees when they meet the conditions, and to handle all necessary matters for the grant.

On 4 November 2025, the Fourth Meeting of the Tenth Session of the Board of Directors of the Company reviewed and approved the proposal regarding matters related to the initial grant under the 2025 H-Share Restricted Share Unit Plan. The Board of Directors determined to designate 4 November 2025 as the initial grant date, granting 10,589,500 H-Share restricted share units to 195 proposed grantees. Under the initial grant of the Plan, 10,382,200 H-Share restricted share units were granted to 182 grantees.

Equity settled share payments are as follows:

	2025
Method for determining the fair value of Incentive Schemes granted	The market stock price of the company on grant day less the grant price
Key parameters of fair value of Incentive Schemes granted	Stock price on grant day
The basis for determining the number of feasible equity instruments	The best estimate of the year-end estimated feasibility
Reasons for significant differences between this year's estimate and last year's estimate	None
The cumulative amount of equity settled share payments included in other reserve	17,414,000

Total amount of RMB17,414,000 share payment expenses was charge for the above Incentive Schemes during the year ended 31 December 2025 (2024: RMB nil).

43. SHARE OPTION SCHEME (Continued)

(b) Subsidiaries' Share Incentive Schemes

Shanghai Henlius

On 27 June 2025, the Board of Directors of Shanghai Henlius, a subsidiary of the Group, reviewed and approved a proposal to grant a total of 6,985,000 share options and 6,985,000 restricted share units to 279 eligible participants under the share option scheme and the restricted share unit scheme, subject to the adoption of such schemes (including, but not limited to, approval by its shareholders' general meeting). On 29 August 2025, the Board of Directors resolved to grant a total of 67,500 share options to four participants under the share option scheme and a total of 87,500 restricted share units to eight participants under the restricted share unit scheme. For the year ended 31 December 2025, Shanghai Henlius recognised total expenses in respect of the share options of RMB133,954,000 (2024: nil).

Sisram Medical

On 30 November 2021 and 2 December 2021, Sisram Medical, a subsidiary of the Group, granted 4,699,550 restricted shares to its grantees, and on 4 September 2024, Sisram Medical granted an additional 1,320,300 restricted shares. In 2021, 2022, and 2023, 80,000 shares, 1,137,009 shares, and 1,050,483 shares were granted, respectively, while in 2022, 2023, 2024 and 2025, 250,437 shares, 1,132,269 shares, 1,049,352 and 1,320,300 shares were canceled due to failure to meet performance targets. For the year ended 31 December 2025, no expense was recognized for the restricted shares of Sisram Medical (2024: RMB5,689,000).

Fosun Kairos (Shanghai) Biological Technology Co., Ltd. ("Fosun Kairos")

On 17 October 2025, Fosun Kairos, a subsidiary of the Group, granted a total of 76,184,870 share options and restricted shares to incentive participants at an exercise price/grant price of RMB0.76 per share. For the year ended 31 December 2025, Fosun Kairos recognised total expenses in respect of the share options of RMB6,943,000 (2024: nil).

Shanghai Fosun Health Technology (Group) Co., Ltd. ("Fosun Health")

On 11 February 2023, the Board of Directors of Fosun Health, a subsidiary of the Group, reviewed and approved the equity incentive plan for Fosun Health's directors and core management personnel, and on 1 June 2022, the 2021 Annual General Meeting of the Group approved the Fosun Health Core Backbone Equity Incentive Plan (together with the Directors and Core Management Incentive Plan, the "Fosun Health Incentive Plan"). Fosun Health implemented the Incentive Plan in 2022 and granted 43,590,000 restricted shares at a grant price of RMB1 per share and 146,919,000 share options at an exercise price of RMB1 per share to eligible participants. In 2023, Fosun Health granted an additional 2,544,880 restricted shares at a grant price of RMB1 per share and 64,192,020 share options at an exercise price of RMB1 per share to eligible participants. In 2025, due to employee departures, 1,104,300 restricted shares that had been granted but not yet vested were repurchased, and 15,784,500 share options that had been granted but not yet vested were cancelled. For the year ended 31 December 2025, Fosun Health recognised total expenses in respect of the share options of RMB3,952,000 (2024: RMB16,354,000).

Beijing Jingshan Biotechnology Co., Ltd ("Beijing Jingshan")

On 1 January 2023 and 31 August 2023, Beijing Jingshan, a subsidiary of the Group, granted 565,000 and 426,612 share options, respectively, to the incentive participants at an exercise price of RMB1 per share. For the year ended 31 December 2025, Beijing Jingshan recognised total expenses in respect of the share options of RMB259,000 (2024: RMB51,000).

43. SHARE OPTION SCHEME (Continued)

(b) Subsidiaries' Share Incentive Schemes (Continued)

Fosun Adgenvax

On 27 August 2024, the Board of Directors of the Fosun Adgenvax, a subsidiary of the Group, reviewed and approved the first phase of the Fosun Adgenvax Equity Incentive Plan, under which 2,825,366 share options were granted to incentive participants in 2024 at an exercise price of RMB20.60 per share. For the year ended 31 December 2025, Fosun Adgenvax recognised total expenses in respect of the share options of RMB39,702,000 (2024: RMB4,517,000).

Shanghai Jianjia Health Care Technology Co., Ltd ("Jianjia Health Care")

On 14 September 2023, Jianjia Health Care, a subsidiary of the Group[(Note 1)], adopted an equity incentive plan, pursuant to which Jianjia Health Care increased its registered capital by a total of RMB75.0 million to be issued to the primary holding platform of the incentive plan for phased implementation of the equity incentives. On 18 March 2024, Jianjia Health Care entered into grant agreements with five incentive participants to grant partnership interests in a co-investment platform corresponding to RMB33.75 million of its registered capital at a price of RMB1.0000 per unit of registered capital, and on the same date entered into grant agreements with 28 incentive participants to grant partnership interests in an option platform corresponding to RMB19.695 million of its registered capital at a price of RMB1.0000 per unit of registered capital. On 18 June 2024, Jianjia Health Care entered into grant agreements with two incentive participants to grant partnership interests in a co-investment platform corresponding to RMB1.25 million of its registered capital at a price of RMB1.0001 per unit of registered capital, and on the same date entered into a grant agreement with one incentive participant to grant partnership interests in an option platform corresponding to RMB0.975 million of its registered capital at a price of RMB1.0001 per unit of registered capital. On 22 November 2024, Jianjia Health Care entered into grant agreements with three incentive participants to grant partnership interests in a co-investment platform corresponding to RMB2.00 million of its registered capital at a price of RMB1.0173 per unit of registered capital. For the year ended 31 December 2025, Jianjia Health Care recognised total expenses in respect of the share options of RMB5,022,000 (2024: RMB5,938,000).

Note1: At the time of adoption of the share incentive Plan, Jianjia Health Care was an associate of the Company. It has been included in the scope of consolidated subsidiaries of the Group since October 2023.

44. COMMITMENTS

The Group had the following capital commitments as at 31 December 2025:

	2025	2024
	RMB'000	RMB'000
Prepared land lease payments, plant and machinery	**1,998,280**	1,923,145
Equity investments	**1,771,896**	1,407,961
Total	**3,770,176**	3,331,106

The equity investments above include RMB143,000,000 for the equity transfer in Green Valley (Shanghai) Pharmaceutical Technology Co., Ltd. ("Green Pharma"). Future capital injections of RMB1,269,482,000 under the relevant agreement are not included in the above commitments.

45. RELATED PARTY TRANSACTIONS

The following are the related company with which the Group has transactions:

	Relationship with the Group
Shanghai Fosun High Tech (Group) Co., Ltd.	Parent company
Fosun International Limited	Subsidiary of ultimate holding company
Fosun Group Finance Corporation Limited (Fosun Finance)	Subsidiary of the Company's parent company
Fosun United Health Insurance Company Ltd	Associate of the Group
Saladax Biomedical, Inc.	Associate of the Group
Huaihai Hospital Management Co., Ltd	Associate of the Group
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.	Associate of the Group
Intuitive Surgical-Fosun (Hongkong) Co., Limited	Associate of the Group
Beijing Jinxiang Fosun Pharmaceutical Joint Stock Co., Ltd.	Associate of the Group
Burning Point Biopharmaceutical Technology Co., Ltd.	Associate of the Group
Chengdu Shibeikang Biopharmaceutical Technology Co., Ltd.	Associate of the Group
Shanghai Lingjian Information Technology Co., Ltd	Associate of the Group
Shenzhen Pengfu Biopharmaceutical Industry Private Equity Investment Fund Partnership (Limited Partnership)	Associate of the Group
Suzhou Fujian Xingyi Entrepreneurship Investment Partnership Enterprise (Limited Partnership)	Associate of the Group
Tianjin Fosun Haihe Medical and Health Industry Fund Partnership Enterprise (Limited Partnership)	Associate of the Group
Sinopharm Group Co., Ltd.	Subsidiary of the Group's associate
Shanghai DDsome Laboratories Co., Ltd	Joint Venture of the Group
Shanghai Fujian Equity Investment Fund Management Co., Ltd	Joint Venture of the Group
Tongde Equity Investment and Management (Shanghai) Co., Ltd.	Subsidiary of the Group's joint venture
Shanghai Fosun Foundation	Other related company of the Group
Pramerica Fosun Life Insurance Co., Ltd.	Other related company of the Group
GX Foundation Company Limited	Other related company of the Group
Fosun Kairos (Shanghai) Biological Technology Co., Ltd.	note 1
SINNOWA Medical Science & Technology Co., Ltd.,	note 2
Anhui Sunhere Pharmaceuticals Excipients Co., Ltd.	note 3

45. RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions detailed elsewhere, the Group had the following transactions with related parties during the year:

(a) Sales of products and rendering of services

	2025 RMB'000	2024 RMB'000
Sinopharm Group Co., Ltd. and its subsidiaries	**6,155,542**	5,579,573
Fosun International Limited and its subsidiaries (excluding the Group) *(note 4)*	**17,596**	41,232
Shenzhen Pengfu Biopharmaceutical Industry Private Equity Investment Fund Partnership (Limited Partnership) and its subsidiaries	**11,006**	22,282
Suzhou Fund & Tianjin Fund and its subsidiaries	**10,151**	28,023
Fosun United Health Insurance Company Ltd *(note 5)*	**7,355**	15,876
Shanghai Fosun Foundation	**6,648**	4,803
Shanghai Fujian Equity Investment Fund Management Co., Ltd and its subsidiaries *(note 6)*	**3,860**	—
Huaihai Hospital Management Co., Ltd and its subsidiaries	**3,594**	6,621
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. and its subsidiaries	**1,234**	729
Burning Point Biopharmaceutical Technology Co., Ltd.	**242**	79
Shanghai Lingjian Information Technology Co., Ltd	**222**	751
Pramerica Fosun Life Insurance Co., Ltd.	**136**	—
Tongde Equity Investment and Management (Shanghai) Co., Ltd.	**43**	62
Shanghai DDsome Laboratories Co., Ltd	**29**	—
SINNOWA Medical Science & Technology Co., Ltd., *(note 2)*	**—**	3
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(note 1)*	**—**	3,131
Total	**6,217,658**	5,703,165

45. RELATED PARTY TRANSACTIONS (Continued)

(b) Purchases of products and services

	2025 RMB'000	2024 RMB'000
Sinopharm Group Co., Ltd. and its subsidiaries	**432,475**	453,658
Fosun International Limited and its subsidiaries (excluding the Group) *(note 4)*	**84,495**	58,876
Intuitive Surgical-Fosun (Hongkong) Co., Limited	**58,826**	—
Chengdu Shibeikang Biopharmaceutical Technology Co., Ltd., and its subsidiaries	**24,057**	—
Shanghai Fujian Equity Investment Fund Management Co., Ltd. and its subsidiaries *(note 6)*	**14,297**	—
Fosun United Health Insurance Company Ltd *(note 5)*	**10,243**	8,466
Burning Point Biopharmaceutical Technology Co., Ltd.	**8,009**	—
Tongde Equity Investment and Management (Shanghai) Co., Ltd.	**7,753**	9,927
Saladax Biomedical, Inc.	**5,821**	5,347
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. and its subsidiaries	**5,514**	18,994
Huaihai Hospital Management Co., Ltd and its subsidiaries	**41**	1,012
Beijing Jinxiang Fosun Pharmaceutical Joint Stock Co., Ltd. and its subsidiaries	**20**	34
SINNOWA Medical Science & Technology Co., Ltd., *(note 2)*	**—**	254
Shanghai Lingjian Information Technology Co., Ltd	**—**	63
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(note 1)*	**—**	1,250
Anhui Sunhere Pharmaceuticals Excipients Co., Ltd., *(note 3)*	**—**	3,859
Total	**651,551**	561,740

45. RELATED PARTY TRANSACTIONS (Continued)

(c) Leasing and property management services

As lessor

	2025 RMB'000	2024 RMB'000
Suzhou Fujian Xingyi Entrepreneurship Investment Partnership Enterprise (Limited Partnership) & Tianjin Fosun Haihe Medical and Health Industry Fund Partnership Enterprise (Limited Partnership) and its subsidiaries	**9,550**	9,962
Shanghai Fujian Equity Investment Fund Management Co., Ltd and its subsidiaries *(note 6)*	**2,850**	—
Fosun International Limited and its subsidiaries (excluding the Group) *(note 4)*	**1,263**	1,622
Tongde Equity Investment and Management (Shanghai) Co., Ltd.	**828**	902
Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd. and its subsidiaries	**16**	238
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(note 1)*	**—**	3,927
Total	**14,507**	16,651

As lessee

	2025 RMB'000	2024 RMB'000
Fosun International Limited and its subsidiaries (excluding the Group) *(note 4)*	**17,695**	19,554

45. RELATED PARTY TRANSACTIONS (Continued)

(c) Leasing and property management services (Continued)

Management services

	2025 RMB'000	2024 RMB'000
Fosun International Limited and its subsidiaries (excluding the Group) *(note 4)*	**22,372**	25,168

(d) Loans from/to related parties

Maximum daily outstanding balance of deposits in Fosun Finance

The Company entered into a financial service agreement with Fosun Finance, pursuant to which Fosun Finance shall provide financial services to the Company and its subsidiaries, including deposit service, credit service, settlement service and other financial services as approved by the China Banking Regulatory Commission for the period from 1 January 2023 to 31 December 2025. The maximum daily outstanding balance of deposits placed by the Group with Fosun Finance is RMB2,000,000,000. The maximum daily outstanding balance of the loans granted by Fosun Finance to the Group is RMB2,000,000,000.

Deposits in Fosun Finance	2025 RMB'000	2024 RMB'000
Fosun Finance	**1,764,417**	1,813,592

Loans from Fosun Finance	2025 RMB'000	2024 RMB'000
Fosun Finance	**139,625**	127,270

Others from/to Fosun Finance	2025 RMB'000	2024 RMB'000
Other receivables		
Fosun Finance	**6,342**	12,010
Accrued interest expenses		
Fosun Finance	**143**	157

45. RELATED PARTY TRANSACTIONS (Continued)

(d) Loans from/to related parties (Continued)

Loans from Shanghai Fosun High Tech (Group) Co., Ltd.

	2025 RMB'000	2024 RMB'000
Shanghai Fosun High Tech (Group) Co., Ltd.	**40,599**	38,652

(e) Interest income from/interest expense to related parties

Interest income	2025 RMB'000	2024 RMB'000
Fosun Finance	**26,846**	32,357
Fosun Kairos (Shanghai) Biological Technology Co., Ltd. *(note 5)*	**—**	5,196
Total	**26,846**	37,553

During the year, the interest rate for deposits, loans, and discount will be calculated according to the agreement terms, reference benchmark interest rates, and market interest rate levels. The interest rate of demand deposits is 0.25%-0.35% (2024: 0.35%), the interest rate of seven-day call deposits is 1.35%-1.55% (2024: 1.485%-1.55%), the interest rate of agreed deposits is 1.00%-1.35% (2024: 1.15%-1.35%), and the interest rate of time deposits is 1.45%-2.25% (2024: 1.55%-2.25%).There were no discounting transactions in 2025. As of December 31, 2025, the Group had an outstanding balance of RMB139,625,000 from Fosun Finance under a one-year RMB loan. During the year 2025, the interest rate on RMB loans obtained by the Group from Fosun Finance ranged from 2.50% to 4.50%.

Interest expense	2025 RMB'000	2024 RMB'000
Fosun Finance	**5,069**	6,096
Shanghai Fosun High Tech (Group) Co., Ltd.	**1,947**	1,995
Total	**7,016**	8,091

45. RELATED PARTY TRANSACTIONS (Continued)

(f) Commitments with related parties

As lessor

As at 31 December 2025, the Group had total future minimum lease receivables under non-cancellable operating leases with its related parties falling due as follows:

	2025 RMB'000	2024 RMB'000
Shanghai Fujian Equity Investment Fund Management Co., Ltd and its subsidiaries (note 6)	**7,487**	—
Suzhou Fujian Xingyi Entrepreneurship Investment Partnership Enterprise (Limited Partnership) & Tianjin Fosun Haihe Medical and Health Industry Fund Partnership Enterprise (Limited Partnership) and its subsidiaries	**16,256**	7,746
Total	**23,743**	7,746

(g) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 24, 26, 28, 31, 32 and 35 to the financial statements.

(h) Compensation of key management personnel of the Group

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	**37,591**	40,877
Performance-related bonuses	**35,724**	28,297
Pension scheme contributions	**1,330**	1,372
Total	**74,645**	70,546

Further details of directors', supervisors' and the chief executive's emoluments are included in note 10 to the financial statements.

45. RELATED PARTY TRANSACTIONS (Continued)

(i) Donations

	2025 RMB'000	2024 RMB'000
Shanghai Fosun Foundation	**79,896**	74,568
GX Foundation Company Limited	**—**	5,000
Total	**79,896**	79,568

For the year ended 31 December 2025, the Group donated RMB79,896,000 (2024: RMB74,568,000) to social welfare projects through Shanghai Fosun Foundation and RMB nil (2024: RMB5,000,000) to social welfare projects through GX Foundation Company Limited.

(j) Fundraising

Other non-current liabilities	2025 RMB'000	2024 RMB'000
Shenzhen Pengfu Biopharmaceutical Industry Private Equity Investment Fund Partnership (Limited Partnership) and its subsidiaries	**302,100**	—
Total	**302,100**	—

For the year ended 31 December 2025, the Group raised capital of RMB302,100,000 (2024: nil) from Shenzhen Pengfu Biopharmaceutical Industry Private Equity Investment Fund Partnership (Limited Partnership) and its subsidiaries.

45. RELATED PARTY TRANSACTIONS (Continued)

Notes:

(1) Fosun Kairos (Shanghai) Biological Technology Co., Ltd. was a joint venture of the Group before October 2024 and was included in the scope of consolidation from October 2024.

(2) SINNOWA Medical Science & Technology Co., Ltd. ceased to be an associate of the Group from June 2024, having previously been an associate of the Group.

(3) Anhui Sunhere Pharmaceuticals Excipients Co., Ltd. ceased to be an associate of the Group from May 2024, having previously been classified as an associate.

(4) The related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Group confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of these transactions.

(5) Fosun United Health Insurance Co., Ltd. has been classified as an associate of the Group since April 2024, having previously been categorized as a related party of the Group.

(6) Shanghai Fujian Equity Investment Fund Management Co., Ltd. has been classified as a joint venture of the Group since April 2025, having previously been categorized as a subsidiary of the Group.

(7) C.Q. Pharmaceutical Holding Co., Ltd. holds 38.67% equity interest in Chongqing Yao Pharmaceutical Co., Ltd., a subsidiary of the Group., is classified as a connected person under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, but is not classified as a related party of the Group.

46. CONTINGENT LIABILITIES

As at 31 December 2025 and 2024, the Group did not have any contingent liabilities.

47. PLEDGE OF ASSETS

Details of the Group's interest-bearing bank and other borrowings, which are secured by the assets of the Group, are included in note 33 to the financial statements.

48. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 31 December 2025

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
Financial assets	Mandatorily designated as such RMB'000	Debt investments RMB'000	Equity investments RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income	—	—	19,218	—	19,218
Financial assets at fair value through profit or loss	3,132,294	—	—	—	3,132,294
Debt investments at fair value through other comprehensive income	—	411,548	—	—	411,548
Trade and bills receivables	—	—	—	9,426,890	9,426,890
Financial assets included in prepayments, other receivables and other assets	—	—	—	708,077	708,077
Trade receivables — non-current	—	—	—	213,539	213,539
Other non-current assets	—	—	—	74,775	74,775
Cash and bank balances	—	—	—	13,104,229	13,104,229
Total	3,132,294	411,548	19,218	23,527,510	27,090,570

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
Financial liabilities	Designated as such up on initial recognition RMB'000	RMB'000	RMB'000
Trade and bills payables	—	5,144,014	5,144,014
Financial liabilities included in other payables and accruals	—	4,117,872	4,117,872
Interest-bearing bank and other borrowings	—	32,954,312	32,954,312
Lease liabilities	—	3,399,171	3,399,171
Financial liabilities included in other long-term liabilities	514,678	455,660	970,338
Total	514,678	46,071,029	46,585,707

48. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (Continued)

As at 31 December 2024

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
Financial assets	Mandatorily designated as such RMB'000	Debt investments RMB'000	Equity investments RMB'000	RMB'000	RMB'000
Equity investments designated at fair value through other comprehensive income	—	—	16,434	—	16,434
Financial assets at fair value through profit or loss	3,753,126	—	—	—	3,753,126
Debt investments at fair value through other comprehensive income	—	612,973	—	—	612,973
Trade and bills receivables	—	—	—	8,024,433	8,024,433
Financial assets included in prepayments, other receivables and other assets	—	—	—	666,863	666,863
Trade receivables — non-current	—	—	—	199,436	199,436
Other non-current assets	—	—	—	90,527	90,527
Cash and bank balances	—	—	—	13,523,933	13,523,933
Total	3,753,126	612,973	16,434	22,505,192	26,887,725

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
Financial liabilities	Designated as such up on initial recognition RMB'000	RMB'000	RMB'000
Trade and bills payables	—	5,997,385	5,997,385
Financial liabilities included in other payables and accruals	—	4,509,341	4,509,341
Interest-bearing bank and other borrowings	—	33,063,640	33,063,640
Lease liabilities	—	2,882,949	2,882,949
Financial liabilities included in other long-term liabilities	1,963,950	551,020	2,514,970
Total	1,963,950	47,004,335	48,968,285

48. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

As at 31 December 2025, the Group endorsed certain bank acceptance bills in the PRC (the "Endorsed Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB750,325,000 (2024: RMB635,475,000). In addition, the Group discounted certain bank acceptance bills in the PRC included in debt investments at fair value through other comprehensive income (the "Discounted Bills") to certain banks to finance its operating cash flows with a carrying amount in aggregate of RMB824,056,000 (2024: RMB319,519,000). The Endorsed Bills and the Discounted Bills had a maturity from one to twelve months at the end of the reporting period. In accordance with the relevant laws and regulations in the PRC and relevant discounting arrangement with certain banks, the holders of the Endorsed Bills and the Discounted Bills have a right of recourse against the Group if the accepting banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Endorsed bills and the Discounted Bills. Accordingly, it has derecognised the full carrying amounts of the Endorsed Bills and the Discounted Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Endorsed Bills and the Discounted Bills and the undiscounted cash flows to repurchase these Endorsed Bills and Discounted Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Endorsed Bills and the Discounted Bills are not significant.

During the reporting period, the Group recognized a discount expense of RMB2,475,000 (2024: RMB1,248,000) at its transfer date. No gains or losses were recognised from the continuing involvement, both during the year or cumulatively. The endorsement and the discount have been made evenly throughout the reporting period.

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025	2024	**2025**	2024
	RMB'000	RMB'000	**RMB'000**	RMB'000
Financial assets:				
Financial assets included in other non-current assets	**41,247**	—	**41,247**	—
Equity investments designated at fair value through other comprehensive income	**19,218**	16,434	**19,218**	16,434
Debt investments at fair value through other comprehensive income	**411,548**	612,973	**411,548**	612,973
Financial assets at fair value through profit or loss	**3,132,294**	3,753,126	**3,132,294**	3,753,126
Trade receivables — non-current	**213,539**	199,436	**222,020**	206,203
Total	**3,817,846**	4,581,969	**3,826,326**	4,588,736
Financial liabilities:				
Non-current portion of interest-bearing bank borrowings	**10,361,991**	10,203,500	**10,396,455**	10,435,988
Interest-bearing other borrowings	**1,500,000**	240,000	**1,500,986**	249,887
Financial liabilities included in other long-term liabilities	**1,042,312**	2,532,650	**1,042,312**	2,532,650
Total	**12,904,303**	12,976,150	**12,939,753**	13,218,525

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Management has assessed that the fair values of cash and bank balances, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial assets included in other non-current assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments or the interest rate is approximate to the discount rate of current market.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 31 December 2025 was assessed to be insignificant.

The fair values of listed corporate bond issued by the Company and equity investments without a lock-up period are based on quoted market prices. The fair values of listed equity investments with a lock-up period have been estimated based on assumptions that are supported by observable market prices and discount for lack of marketability. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income or profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at 31 December 2025:

Unobservable inputs for Level 3 assets

The financial assets measured at fair value held by the Group which were classified in Level 3 primarily correspond to unlisted equity investments not quoted in an active market.

For the fair value of the unlisted equity investments is based on valuation techniques for which the input that is significant to the fair value measurement is unobservable. For certain unlisted equity investments, the Group adopts quotation from counterparties' quotations or valuation techniques to determine the fair value. Valuation techniques include a discounted cash flow analysis, the market comparison approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as liquidity discount. Fair value change resulting from changes in the unobservable inputs was not significant. The Finance Department periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial instruments in Level 3.

Unobservable inputs for Level 3 liabilities

Included in other non-current liabilities are other financial liabilities of RMB350,402,000 (2024: RMB536,295,000). Significant unobservable valuation input is value of net assets of subsidiaries.

Included in other non-current liabilities are other financial liabilities of RMB164,276,000 (2024: Nil). Significant unobservable valuation input is present value of cash flows related to redemption rights liability of subsidiaries.

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:
As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss *(note 29)*	**911,478**	**29,803**	**2,191,013**	**3,132,294**
Equity investments designated at fair value through other comprehensive income *(note 21)*	**19,218**	**—**	**—**	**19,218**
Financial assets included in other non-current assets	**—**	**41,247**	**—**	**41,247**
Debt investments at fair value through other comprehensive income	**—**	**411,548**	**—**	**411,548**
Total	**930,696**	**482,598**	**2,191,013**	**3,604,307**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss *(note 29)*	1,295,910	46,349	2,410,867	3,753,126
Equity investments designated at fair value through other comprehensive income *(note 21)*	16,434	—	—	16,434
Debt investments at fair value through other comprehensive income	—	612,973	—	612,973
Total	1,312,344	659,322	2,410,867	4,382,533

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	Financial assets at fair value through profit or loss 2025 RMB'000	Financial assets at fair value through profit or loss 2024 RMB'000
As at 1 January	**2,410,867**	1,637,244
Transferred in	**168,638**	741,301
Transferred out	**(168,638)**	—
Total losses recognised in the statement of profit or loss included in other gains	**(221,747)**	(139,063)
Total (losses)/gains recognised in other comprehensive income	**(29,475)**	7,097
Addition	**187,726**	184,675
Settlement	**(156,358)**	(20,387)
As at 31 December	**2,191,013**	2,410,867

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 (2024: Nil). During the year, there were no transfers into or out of level 3 for financial assets (2024: Nil). During the year, there were no transfers of financial assets at fair value through profit or loss between Level 3 to Level 2 (2024: Nil).

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Amounts included in other long-term liabilities	**—**	**—**	**514,678**	**514,678**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Amounts included in other long-term liabilities	—	—	1,963,950	1,963,950

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of level 3 for financial liabilities (2024: Nil).

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value: (Continued)

The movements in fair value measurements in Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Amounts included in other long-term liabilities:		
At 1 January	**1,963,950**	2,479,775
Transferred in	**8,595**	—
Transferred out	**(1,473,921)**	—
Total (gains)/losses recognised in other expenses/gains	**(84,535)**	40,305
Total losses/(gains) recognised in other reserve	**46,267**	(174,082)
Addition	**220,162**	204,400
Settlement	**(165,840)**	(586,448)
At 31 December	**514,678**	1,963,950

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Trade receivables-non-current	**—**	**222,020**	**—**	**222,020**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Trade receivables-non-current	—	206,203	—	206,203

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Non-current portion of interest-bearing bank borrowings	**—**	**10,396,455**	**—**	**10,396,455**
Interest-bearing other borrowings	**—**	**1,500,986**	**—**	**1,500,986**
Amounts included in other long-term liabilities	**—**	**455,660**	**—**	**455,660**
Total	**—**	**12,353,101**	**—**	**12,353,101**

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Non-current portion of interest-bearing bank borrowings	—	10,435,988	—	10,435,988
Interest-bearing other borrowings	—	249,887	—	249,887
Amounts included in other long-term liabilities	—	551,020	—	551,020
Total	—	11,236,895	—	11,236,895

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates.

The Group's policy is to manage its interest cost using a mix of fixed and floating rate debts.

As at 31 December 2025, the total interest-bearing bank borrowings of RMB17,864,559,000 (31 December 2024: RMB13,331,488,000) of the Group were with floating interest rates denominated in RMB, USD or EUR.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit after tax through the impact on floating rate borrowings.

Increase/(decrease) in the Group's profit after tax

	Increase/ (decrease) in basis	Increase/ (decrease) in profit after tax
	%	RMB'000
2025		
RMB	**1**	**(111,104)**
USD	**1**	**(280)**
EUR	**1**	**(22,600)**
RMB	**(1)**	**111,104**
USD	**(1)**	**280**
EUR	**(1)**	**22,600**
2024		
RMB	1	(56,385)
USD	1	(10,014)
EUR	1	(20,416)
RMB	(1)	56,385
USD	(1)	10,014
EUR	(1)	20,416

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the USD, EUR, INR and HKD exchange rates, with all other variables held constant, of the Group's profit after tax arising from USD, EUR, INR and HKD denominated financial instruments.

	Increase/ (decrease) in foreign currency rate	**Increase/ (decrease) in profit after tax**
	%	RMB'000
2025		
If RMB weakens against USD	**5**	**88,118**
If RMB strengthens against USD	**(5)**	**(88,118)**
If RMB weakens against EUR	**5**	**(95,425)**
If RMB strengthens against EUR	**(5)**	**95,425**
If RMB weakens against HKD	**5**	**14,600**
If RMB strengthens against HKD	**(5)**	**(14,600)**
If RMB weakens against INR	**5**	**13,235**
If RMB strengthens against INR	**(5)**	**(13,235)**
2024		
If RMB weakens against USD	5	12,390
If RMB strengthens against USD	(5)	(12,390)
If RMB weakens against EUR	5	(77,219)
If RMB strengthens against EUR	(5)	77,219
If RMB weakens against HKD	5	21,230
If RMB strengthens against HKD	(5)	(21,230)

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk

The Group trades only with related companies and recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and bank balances, and deposits and other receivables, arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	—	—	—	9,805,611	9,805,611
Debt investments at fair value through other comprehensive income*	411,548	—	—	—	411,548
Financial assets included in prepayments, other receivables and other assets — Normal**	729,434	—	—	—	729,434
Trade receivables — non-current	222,020	—	—	—	222,020
Other non-current assets	74,775	—	—	—	74,775
Cash and bank balances — Not yet past due	13,104,229	—	—	—	13,104,229
Total	14,542,006	—	—	9,805,611	24,347,617

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Credit risk (Continued)

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	—	—	—	8,335,080	8,335,080
Debt investments at fair value through other comprehensive income*	612,973	—	—	—	612,973
Financial assets included in prepayments, other receivables and other assets — Normal**	692,090	—	—	—	692,090
Trade receivables — non-current	206,203	—	—	—	206,203
Other non-current assets	90,527	—	—	—	90,527
Cash and bank balances — Not yet past due	13,523,933	—	—	—	13,523,933
Total	15,125,726	—	—	8,335,080	23,460,806

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 26 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 26 to the financial statements.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other interest-bearing borrowings. As at 31 December 2025, 67% (31 December 2024: 69%) of the Group's borrowings would mature in less than one year based on the carrying values of the borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

2025	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	—	21,092,321	12,085,373	226,456	33,404,150
Lease liabilities	—	348,401	1,404,102	1,867,942	3,620,445
Trade and bills payables	—	5,144,014	—	—	5,144,014
Financial liabilities included in other payables and accruals	3,881,039	1,065,733	—	—	4,946,772
Financial liabilities included in other long-term liabilities	—	—	970,338	—	970,338
Total	3,881,039	27,650,469	14,459,813	2,094,398	48,085,719

2024	On demand RMB'000	Less than 1 year RMB'000	1 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	—	22,620,140	10,983,259	181,858	33,785,257
Lease liabilities	—	340,981	2,069,511	736,032	3,146,524
Trade and bills payables	—	5,997,385	—	—	5,997,385
Financial liabilities included in other payables and accruals	4,453,533	934,340	—	—	5,387,873
Financial liabilities included in other long-term liabilities	—	—	2,628,536	—	2,628,536
Total	4,453,533	29,892,846	15,681,306	917,890	50,945,575

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 29) and equity investments at fair value through other comprehensive Income (note 21) as at 31 December 2025. The Group's listed investments are listed on the stock exchanges in Shanghai, Shenzhen, Hong Kong, New York, NASDAQ and Korea which are valued at quoted market prices or using valuation techniques at the end of the reporting period.

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of the equity investments, with all other variables held constant and after any impact on tax, based on their carrying amounts at the end of the reporting period. For the purposes of this analysis, for the equity investments at fair value through other comprehensive income, the impact is deemed to be on the fair value reserve revaluation reserve, respectively.

	Change in equity prices %	**Carrying amount of equity investments** RMB'000	**Change in profit after tax** RMB'000	**Change in equity*** RMB'000
2025				
Equity Investments				
Financial assets at fair value through profit or loss	**10**	**1,169,815**	**97,584**	**—**
Financial assets at fair value through profit or loss	**(10)**	**1,169,815**	**(97,584)**	**—**
Financial assets at fair value through other comprehensive income	**10**	**19,218**	**—**	**1,634**
Financial assets at fair value through other comprehensive income	**(10)**	**19,218**	**—**	**(1,634)**
2024				
Equity Investments				
Financial assets at fair value through profit or loss	10	1,322,260	110,538	—
Financial assets at fair value through profit or loss	(10)	1,322,260	(110,538)	—
Financial assets at fair value through other comprehensive income	10	16,434	—	1,397
Financial assets at fair value through other comprehensive income	(10)	16,434	—	(1,397)

* Excluding retained profits

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes interest-bearing bank and other borrowings, other long-term liabilities less cash and cash equivalents. Total equity includes equity attributable to owners of the parent and non-controlling interests. The gearing ratios as at the end of the reporting periods were as follows:

	2025	2024
	RMB'000	RMB'000
Interest-bearing bank and other borrowings *(note 33)*	**32,954,312**	33,063,640
Less: Cash and bank balances *(note 30)*	**(13,104,229)**	(13,523,933)
Net debt	**19,850,083**	19,539,707
Total equity	**61,801,974**	59,895,352
Total equity and net debt	**81,652,057**	79,435,059
Gearing ratio	**24%**	25%

51. EVENTS AFTER THE REPORTING PERIOD

National Association of Financial Market Institutional Investors issued the Notice of Acceptance of Registration (NAFMII Register [2025] MTN272) on 20 March 2025 to accept the registration of the Company's medium-term notes with a registered amount of RMB4 billion. On 30 January 2026, the Company issued its 2026 First Sci-Tech Innovation Bond within the registered limit, referred to as 26 Fosun Pharma MTN001 (Scientific and technological innovation bond), with a total issuance of RMB1,000,000,000, a maturity of 2 years and an interest rate of 2.40%.

Excepted as disclosed above, the Group had no significant events subsequent to 31 December 2025.

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2025 RMB'000	31 December 2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**4,552**	5,080
Other intangible assets	**1,060**	1,206
Investments in subsidiaries	**17,970,832**	17,492,769
Investments in associates	**7,778,874**	7,756,439
Investments in jointly-controlled entities	**23,493**	—
Financial assets at fair value through profit or loss	**2,925**	2,894
Other non-current assets	**3,344,411**	3,350,952
Total non-current assets	**29,126,147**	28,609,340
CURRENT ASSETS		
Trade and bills receivables	**95,000**	50,000
Prepayments, deposits and other receivables	**5,772,252**	6,596,083
Financial assets at fair value through profit or loss	**116,424**	152,363
Cash and bank balances	**1,769,967**	1,688,242
Total current assets	**7,753,643**	8,486,688
CURRENT LIABILITIES		
Other payables and accruals	**3,566,797**	3,573,393
Interest-bearing bank and other borrowings	**7,323,921**	9,263,616
Total current liabilities	**10,890,718**	12,837,009
NET CURRENT LIABILITIES	**(3,137,075)**	(4,350,321)
TOTAL ASSETS LESS CURRENT LIABILITIES	**25,989,072**	24,259,019
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	**4,081,942**	959,203
Deferred tax liability	**968,947**	968,947
Total non-current liabilities	**5,050,889**	1,928,150
Net assets	**20,938,183**	22,330,869
EQUITY		
Share capital	**2,670,429**	2,671,326
Treasury shares	**(607,964)**	(234,375)
Reserves	**18,875,718**	19,893,918
Total equity	**20,938,183**	22,330,869

52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium and others RMB'000	Fair value reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 31 December 2023 and 1 January 2024	18,243,744	12,296	1,336,199	679,344	20,271,583
Total comprehensive income for the year	—	—	—	365,924	365,924
Repurchase and cancellation of ordinary shares	(21,755)	—	—	—	(21,755)
Final 2023 dividend declared and paid	—	—	—	(721,834)	(721,834)
At 31 December 2024	18,221,989	12,296	1,336,199	323,434	19,893,918

	Share premium and others RMB'000	**Fair value reserve RMB'000**	**Statutory surplus reserve RMB'000**	**Retained profits RMB'000**	**Total RMB'000**
At 31 December 2024 and 1 January 2025	**18,221,989**	**12,296**	**1,336,199**	**323,434**	**19,893,918**
Total comprehensive income for the year	**—**	**—**	**—**	**(215,790)**	**(215,790)**
Share of other comprehensive income of associates	**—**	**22,420**	**—**	**—**	**22,420**
Repurchase and cancellation of ordinary shares	**(18,203)**	**—**	**—**	**—**	**(18,203)**
Disposal of associates	**19,913**	**—**	**—**	**—**	**19,913**
Equity-settled share-based payments	**17,414**	**—**	**—**	**—**	**17,414**
Share of changes in equity other than comprehensive income and distributions received of associates	**748**	**—**	**—**	**—**	**748**
Final 2024 dividend declared and paid	**—**	**—**	**—**	**(844,702)**	**(844,702)**
At 31 December 2025	**18,241,861**	**34,716**	**1,336,199**	**(737,058)**	**18,875,718**

53. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 24 March 2026.

Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below.

"2022 H Share Employee Share Ownership Scheme" or "H Share Employee Share Ownership Scheme" "	the 2022 H Share Employee Share Ownership Scheme of the Company
"2022 Non-public Issuance of A Shares"	the issuance of an aggregate of 106,756,666 new A Shares of the Company to subscribers in the non-public issuance of shares at the issue price of RMB42.00 per share in July 2022
"2022 Restricted A Share Incentive Scheme" or "Restricted A Share Incentive Scheme"	the 2022 Restricted A Share Incentive Scheme of the Company
"2025 A Share Option Scheme" or "A Share Option Scheme"	the 2025 A Share Option Incentive Scheme of the Company
"2025 H Share RSU Scheme" or "H Share RSU Scheme"	the 2025 H Share RSU Scheme of the Company
"2025 Final Dividend"	the final dividend of RMB0.39 (before tax) per share for the year ended 31 December 2025
"A Share(s)"	domestic share(s) of the Company with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"A Share Option(s)"	a right to be granted to participants under the A Share Option Scheme to subscribe for such number of A Shares upon satisfaction of relevant conditions and payment of the A Share Option Exercise Price when exercised during the A Share Option Exercise Period pursuant to the A Share Option Scheme
"A Share Option Exercise Period"	the period during which the A Share Options may be exercised after the end of the relevant vesting period
"A Share Option Exercise Price"	the price at which the participants under the A Share Option Scheme may subscribe for A Shares upon the exercise of the A Share Options, as determined under the A Share Option Scheme
"Accropeutics"	Accro Bioscience (Suzhou) Limited* (愛科諾生物醫藥(蘇州)有限公司)
"ADC"	Antibody-drug Conjugate
"Aditum Bio"	Aditum Bio Management Company, LLC
"AI"	Artificial intelligence
"associates"	has the meaning given to it under the Hong Kong Listing Rules
"Alvogen Korea"	Alvogen Korea Co.,Ltd., a company incorporated in South Korea
"API"	Active Pharmaceutical Ingredient

Definitions

"Articles of Association"	the articles of association of the Company
"Board"	the board of Directors of the Company
"Breas"	Breas Medical Holdings AB, a company incorporated in Sweden, and a subsidiary of the Company
"BSE"	BSE Limited
"Carelife Pharma"	Chongqing Carelife Pharmaceutical Co., Ltd.* (重慶凱林製藥有限公司), a subsidiary of the Company
"Cenexi"	Phixen, sociétépar actions simplifiée, a company incorporated in France, a subsidiary of the Company
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules
"Chinese mainland"	Chinese mainland, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan regions
"connected person(s)"	has the meaning given to it under the Hong Kong Listing Rules
"controlling shareholder(s)"	has the meaning given to it under the Hong Kong Listing Rules
"CQ Pharma Holdings"	Chongqing Pharmaceutical Holdings Company Limited* (重藥控股股份有限公司), a company incorporated in the PRC and listed on the Shenzhen Stock Exchange (Stock Code: 000950)
"CSRC"	China Securities Regulatory Commission* (中國證券監督管理委員會)
"Deed of Non-Competition"	the deed of non-competition dated 13 October 2012 and executed by the controlling shareholders in favour of the Company (for the Company and as trustee of the Company's subsidiaries from time to time)
"CMC"	Chemical Manufacturing and Control
"Code Provision"	code provisions under the CG Code
"Commercial Insurance Innovative Drugs Catalogue"	Commercial Insurance Innovative Drugs Catalogue (《商業健康保險創新藥品目錄》)
"Company"	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares and A Shares are listed and traded on the main board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"Director(s)"	director(s) of the Company
"ESG Committee"	Environmental, Social and Governance Committee of the Board

Definitions

"Dongting Pharma"	Hunan Dongting Pharmaceutical Co., Ltd.* (湖南洞庭藥業股份有限公司), a subsidiary of the Company
"Dr. Reddy's"	Dr. Reddy's Laboratories SA, a company incorporated in Switzerland
"EC"	European Commission
"EU"	European Union
"Expedition"	Expedition Therapeutics, Inc., a company incorporated in U.S.
"FBD"	FBD Biologics Limited, a company incorporated in Hong Kong
"Fosun Adgenvax"	Fosun Adgenvax (Chengdu) Biopharmaceutical Co., Ltd.*(復星安特金(成都)生物製藥股份有限公司, formerly known as "復星安特金(成都)生物製藥有限公司"), a subsidiary of the Company
"Fosun Finance"	Fosun Group Finance Corporation Limited* (上海復星高科技集團財務有限公司), a subsidiary of Fosun High Tech
"Foshan Fosun Chancheng Hospital"	Foshan Fosun Chancheng Hospital Limited* (佛山復星禪誠醫院有限公司), a subsidiary of the Company
"Fosun Health"	Shanghai Fosun Health Technology (Group) Co., Ltd.* (上海復星健康科技(集團)有限公司), a subsidiary of the Company
"Fosun Health Holding"	Shanghai Fosun Health Industry Holding Company Limited* (上海復星健康產業控股有限公司)
"Fosun High Tech"	Shanghai Fosun High Technology (Group) Company Limited* (上海復星高科技(集團)有限公司), a direct wholly-owned subsidiary of Fosun International and a controlling shareholder of the Company
"Fosun Holdings"	Fosun Holdings Limited, a company incorporated in Hong Kong, a direct wholly owned subsidiary of Fosun International Holdings and a controlling shareholder of the Company
"Fosun Insightec"	Fosun-Insightec Medical Technologies (Jiangsu Xuzhou) Co., Ltd.* (復星醫視特醫療科技(江蘇徐州)有限責任公司), a subsidiary of the Company
"Fosun International Holdings"	Fosun International Holdings Limited, a company incorporated in the British Virgin Islands, which was held as to 85.29% and 14.71% by Mr. Guo Guangchang and Mr. Wang Qunbin, respectively, as at the end of the Reporting Period, and a controlling shareholder of the Company
"Fosun International"	Fosun International Limited, a company incorporated in Hong Kong and listed on the Hong Kong Stock Exchange (stock code: 00656), an indirect subsidiary of Fosun International Holdings and a controlling shareholder of the Company

Definitions

"Fosun Kairos"	Fosun Kairos (Shanghai) Biological Technology Co., Ltd.* (復星凱瑞(上海)生物科技有限公司), a subsidiary of the Company
"Fosun Pharma (Xuzhou)"	Fosun Pharma (Xuzhou) Company Limited* (復星醫藥(徐州)有限公司), a subsidiary of the Company
"Fosun Pharma Industrial"	Shanghai Fosun Pharmaceutical Industrial Development Company Limited* (上海復星醫藥產業發展有限公司), a subsidiary of the Company
"Fosun Pingyao"	"Shanghai Fosun Pingyao Investment Management Co., Ltd.* (上海復星平耀投資管理有限公司), a subsidiary of the Company"
"Fosun Wanbang"	Fosun Wanbang (Jiangsu) Pharmaceutical Group Co., Ltd.* (復星萬邦(江蘇)醫藥集團有限公司), a subsidiary of the Company
"Fosun Xingmai"	Shanghai Xingmai Information Technology Company Limited* (上海杏脈信息科技有限公司), a subsidiary of the Company
"Futuo Zhida"	Shanghai Futuo Zhida Healthcare Technology Co., Ltd.* (上海復拓知達醫療科技有限公司), an associate of the Company
"Fuyao Zhigang"	"Shanghai Fuyao Zhigang Enterprise Management Partnership (Limited Partnership)* (上海復曜智港企業管理合夥企業(有限合夥))"
"Gland Pharma"	Gland Pharma Limited, a company incorporated in India and listed on the BSE Limited and The National Stock Exchange of India Limited (stock code: GLAND) and a subsidiary of the Company
"GMP"	Good Manufacture Practices
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"H Share(s)"	overseas listed foreign share(s) in the ordinary share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
"Henan Fujian"	Henan Fujian Xingweilai Health Investment Partnership (Limited Partnership)* (河南復健星未來健康投資合夥企業(有限合夥)), an associate of the Company
"Henan Xingweilai Fund"	Henan Zhongyuan Medical Science City Xingweilai Equity Investment Fund Partnership (Limited Partnership)* (河南中原醫學科學城星未來股權投資基金合夥企業(有限合夥)), a joint venture of the Company
"Hengtai Bio"	Shenzhen Hengtai Biotechnology Co., Ltd.* (深圳衡泰生物科技有限公司), an associate of the Company
"HKFRS"	the Hong Kong Financial Reporting Standards

Definitions

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huaihai Hospital"	Huaihai Hospital Management (Xuzhou) Co. Ltd.* (淮海醫院管理(徐州)有限公司), an associated company of the Company
"IND"	investigational new drug
"Innovative Drugs"	For the purpose of this announcement, mainly include innovative drugs, biosimilars, improved new drugs and other drugs with high technological barriers formed through technological innovation
"Intuitive Fosun"	Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd.* (直觀復星醫療器械技術(上海)有限公司) and/or Intuitive Surgical-Fosun (Hongkong) Co., Limited, associate(s) of the Company
"Jianjia Healthcare"	Jianjia Healthcare Investment Management Co., Ltd.* (健嘉醫療投資管理有限公司), a subsidiary of the Company
"Macau"	the Macau Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
"National Medical Insurance Drugs Catalogue"	National Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance Drugs Catalogue (《國家基本醫療保險、工傷保險和生育保險藥品目錄》)
"Ningbo Fuying"	Ningbo Fuying Investment Co., Ltd.* (寧波復瀛投資有限公司), a subsidiary of the Company
"NDA"	New drug application
"NEEQ"	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
"NeuCo"	NeuCo United Co., Limited, a company incorporated in Hong Kong, China
"NMPA"	National Medical Products Administration (中國國家藥品監督管理局)
"NRPA Malaysia"	National Pharmaceutical Regulatory Agency of Malaysia
"NSE"	The National Stock Exchange of India Limited
"PCT"	Patent Cooperation Treaty
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》
"Pfizer"	Pfizer Inc., a company incorporated in U.S.
"Philippines FDA"	Food and Drug Administration of the Philippines

Definitions

"PRC" or "China"	The People's Republic of China
"R&D"	research and development
"Reporting Period"	the 12-month period from 1 January 2025 to 31 December 2025
"restricted A Share(s)"	the A Share(s) granted by the Company to a participant according to the conditions and price stipulated under the 2022 Restricted A Share Incentive Scheme which are subject to the restriction period and can only be unlocked and transferred after the unlocking conditions are satisfied
"RMB"	Renminbi, the lawful currency of the PRC
"RSU(s)" or "H Share RSU(s)"	restricted share unit(s), being the right to receive such number of restricted H Shares awarded pursuant to the H Share RSU Scheme upon the satisfaction of the vesting conditions as stipulated in the H Share RSU Scheme
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai Fujian"	Shanghai Fujian Equity Investment Fund Management Co., Ltd.* (上海復健股權投資基金管理有限公司), a joint venture of the Company at the end of the Reporting Period
"Shanghai Henlius"	Shanghai Henlius Biotech, Inc.* (上海復宏漢霖生物技術股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 02696) and a subsidiary of the Company
"Shanghai Listing Rules"	the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》)
"Shanghai Shanwu"	Shanghai Shanwu Consulting Management Enterprise (Limited Partnership)* (上海善梧諮詢管理合夥企業(有限合夥))
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Shanghai Zhuoerhui"	Shanghai Zhuoerhui Integrated Outpatient Limited Company* (上海卓爾薈綜合門診部有限公司), a subsidiary of the Company
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares in the capital of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Sinopharm"	Sinopharm Group Co. Ltd.* (國藥控股股份有限公司), a company incorporated in the PRC and listed on the Hong Kong Stock Exchange (stock code: 01099), a subsidiary of Sinopharm Industrial
"Sinopharm Industrial"	Sinopharm Industrial Investment Co., Ltd.* (國藥產業投資有限公司), an associated company of the Company

Definitions

"Sisram Medical"	Sisram Medical Ltd, a company incorporated in Israel and listed on the Hong Kong Stock Exchange (stock code: 01696) and a subsidiary of the Company
"Sitala"	Sitala Bio Ltd., a company incorporated in UK
"substantial shareholder(s)"	has the meaning given to it under the Hong Kong Listing Rules
"Supervisor(s)"	the supervisors of the Company, cancelled on 24 June 2025, due to amendments to Articles of Association
"Supervisory Committee"	the supervisory committee of the Company, cancelled on 24 June 2025, due to amendments to Articles of Association
"Suzhou Angel Fund"	Suzhou Xingsheng Yuanfeng Venture and Investment Partnership (Limited Partnership)* (蘇州星盛園豐創業投資合夥企業(有限合夥)), a subsidiary of the Company
"Suzhou Abcarta"	Suzhou Abcarta Medical Technology Co., Ltd.* (蘇州百道醫療科技有限公司), a subsidiary of the Company
"Suzhou Erye"	Suzhou Erye Pharmaceutical Co., Ltd.* (蘇州二葉製藥有限公司), a subsidiary of the Company
"Suzhou Junming"	Suzhou Junming Zhiyuan Venture Capital Investment Partnership (Limited Partnership)* (蘇州君明致遠創業投資合夥企業(有限合夥)), a subsidiary of the Company
"Suzhou Tianshi Parent Fund"	Suzhou Tianshi Investment Guidance Fund (Limited Partnership)*(蘇州天使投資引導基金(有限合夥))
"Teva"	Teva Pharmaceutical Industries Ltd., a company incorporated in Israel
"United Health Insurance"	Fosun United Health Insurance Company Limited* (復星聯合健康保險股份有限公司), an associate of the Company
"U.S. FDA"	U.S. Food and Drug Administration
"U.S." or "United States"	United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US$"	United States dollars, the lawful currency of the United States
"WHO"	World Health Organization
"WHO PQ"	World Health Organization Prequalification
"Wuxi Tongshan"	Wuxi Tongshan Investment Enterprise (Limited Partnership)* (無錫市通善投資企業(有限合夥))

Definitions

"Written Guidance"	Written Guidance for Securities Transactions by Directors/Relevant Employees of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. (《上海復星醫藥(集團)股份有限公司董事／有關僱員進行證券交易的書面指引》)
"Xingnuo Pharma"	Jiangsu Xingnuo Pharmaceutical Technology Company Limited* (江蘇星諾醫藥科技有限公司), a subsidiary of the Company
"Xingsheng Fuying"	Suzhou Xingzheng Fuying Corporate Management Partnership (Limited Partnership)* (蘇州星盛復盈企業管理合夥企業(有限合夥)), a subsidiary of the Company
"Xingshuangjian Investment"	Shanghai Xingshuangjian Investment Management Co., Ltd.* (上海星雙健投資管理有限公司), a subsidiary of Fosun High Tech
"Yao Pharma"	Chongqing Yao Pharmaceutical Company Limited* (重慶藥友製藥有限責任公司), a subsidiary of the Company
"Yujian Biomedical"	Yujian Biomedical Group Co., Ltd.* (豫健生物醫藥集團有限公司)
"Yuyuan"	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.* (上海豫園旅遊商 城 (集團) 股份有限公司), a company incorporated in PRC and listed on the SSE (stock code: 600655)
"Zhaohui Pharma"	Shanghai Zhaohui Pharmaceutical Co Ltd* (上海朝暉藥業有限公司), a subsidiary of the Company
"Zhengzhou Airport Capital"	Zhengzhou Airport Science and Technology Capital Co., Ltd.*(鄭州航空港科技資本有限公司)
"Zhoushan Guoyun"	Zhoushan Guoyun Biotechnology Partnership (Limited Partnership)* (舟山果運生物技術合夥企業(有限合夥))
"Zhuoye Health"	Shanghai Zhuoye Health Management Consulting Partnership (Limited Partnership)* (上海卓也健康管理諮詢合夥企業(有限合夥))
"%"	per cent

In this report, if there is any inconsistency between the Chinese names of the entities, authorities, organizations, institutions or enterprises established in China or the awards or certificates given in China and their English translations, the Chinese version shall prevail.

* *for identification purposes only*

FOSUN PHARMA
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