

Huadong Medicine Co., Ltd.

2025 Annual Report

April 24, 2026

To Shareholders

To Our Shareholders,

Though mist veils the mountains, the pines stand firm; As wild clouds race across the sky, they remain composed. 2025 marks the first year of Huadong Medicine's 8th Three-Year Plan, and a pivotal year in which we drive growth through innovation and disciplined execution. Driven by a pioneering spirit, resilience, and a commitment to excellence, the company has fully delivered the annual business targets amid a complex and evolving environment. We continued to expand our business scale, made tangible progress in our innovation-driven transformation, strengthened our core competitiveness, and further reinforced the foundation for high-quality development. Together, these efforts have delivered resilient growth with continued gains in both quality and efficiency.

Innovative R&D remains the cornerstone of our development and a key driver of sustainable growth through market cycles. Since 2025, a total of six innovative products, including Mairuidong[®] and MediBeacon[®] TGFR, have been approved for marketing in China. Meanwhile, Senaparib Capsules (a PARP inhibitor) and Linaprazan Glurate Capsules (a P-CAB inhibitor) have been included in the 2025 national medical insurance drug list. Zevorcabtagene autoleucel, our CAR-T therapy, has been included in China's inaugural commercial insurance innovative drug list. Driven by an expanding portfolio of approved innovative products and robust commercialization capabilities, revenue from innovative products reached RMB 2.34 billion in 2025, representing a year-on-year increase of 64.2%. Among these, Elahere[®] has reached cumulative sales of over RMB 100 million in China since its approval. Our innovation momentum continues to strengthen, and has become a key engine driving the Company's growth.

Over the past year, Huadong Medicine's R&D has made steady progress along a clear strategic roadmap. In the endocrinology field, our key pipeline projects, including HDM1002, HDM1005, and DR10624, have generated positive clinical data and are advancing at the forefront of R&D. We have also broadened into cardiovascular and cerebrovascular indications to build differentiated strengths. In oncology, our ADC franchise features a diversified target portfolio and a tiered pipeline, underscoring our differentiated strategy. Multiple ADC candidates have been granted six Orphan Drug Designations and one Fast Track Designation by the U.S. FDA. In addition, HDM2027, a novel amanitin-based ADC, has entered the clinical development in China. In the autoimmune field, Roflumilast Cream has been filed in China for marketing approval in atopic dermatitis and psoriasis, and is expected to open up new growth opportunities in dermatology. Meanwhile, nearly 30 clinical study results have been presented at leading international scientific conferences, further strengthening our global influence.

In 2026, the Company's innovative R&D will enter a phase of accelerated value delivery driven by a dual model of in-house R&D and in-licensing. Our R&D center for innovative drugs is advancing 96 pipeline projects, with 12 products under regulatory review for marketing approval and the number of innovative candidates advancing to Phase 3 clinical trials is expected to reach 16. The innovative product segment is expected to maintain strong growth momentum throughout the year. Over the next five years, more than 40 innovative products are expected to be launched in phases, driving sustainable growth. At the same time, we remain focused on three core therapeutic areas: endocrinology, autoimmune diseases, and oncology, with a view to building a sustainable and competitive innovation ecosystem.

With the launch of innovative aesthetic products, our medical aesthetics business has achieved full coverage across three major injectable categories: regenerative products, hyaluronic acid fillers, and botulinum toxin in the domestic market. Key newly approved products include Ellansé-M, which enables effective autologous

collagen regeneration; MaiLi[®] Extreme[®], the world's first oxygen-free hyaluronic acid originally developed in Switzerland; and Ruituoxin[®], the world's first recombinant type A botulinum toxin. The medical aesthetics business has entered a new phase of portfolio synergy and multi-engine growth. In the coming five years, more than ten innovative products—including ECM collagen, next-generation regenerative materials, and the world's only non-animal-derived chitosan—are expected to be launched. This robust pipeline will further enrich our high-end product portfolio and drive us toward a leading position in global medical aesthetics.

To support the accelerated industrialization of its core pipeline, the Company leveraged its integrated strengths to complete and put into operation a 60,000-square-meter intelligent biopharmaceutical innovation and manufacturing center within one year, marking a notable industry milestone. The facility focuses on the commercial manufacturing of core biologics, including ADCs, polypeptides, and antibodies, enabling an end-to-end coverage from clinical-stage materials to large-scale commercial production. This self-built and self-operated industrial platform not only enhances supply chain security and cost efficiency, but also ensures end-to-end control and rapid commercialization of key innovative projects, providing a strong foundation for our global competitiveness.

True gold is proven in fire, and strong capabilities are forged through challenges. We fear no competition, as every encounter deepens our insight into the industry, nor do we shy away from confrontation, as every contest forges our competitive edge. With unwavering strategic resolve, we will deliver on the decisive phase of innovation realization, scale new heights in our medical aesthetics business, fortify the cornerstone of our pharmaceutical business, and open up new growth pathways in industrial microbiology.

We highly value the trust and support of our shareholders and remain committed to an active dividend policy, sharing the Company's growth achievements with our shareholders. Looking ahead, we will continue to enhance the quality of our growth

and deliver strong performance to create value for our shareholders.

As rivers converge into the sea and streams surge in competition, with favorable winds and sails set, we set our sights firmly on the summit. Huadong Medicine will break through bottlenecks with the courage to innovate and forge ahead with grounded determination. We will advance toward the Company's 2030 vision, striving to build Huadong Medicine into a globally competitive, research-driven pharmaceutical leader.

Lv Liang, Chairman

On behalf of Huadong Medicine

April 2026

2025 Annual Report

Section I Important Notes, Contents and Definitions

The Board of Directors, directors and senior management of Huadong Medicine Co., Ltd. (hereinafter the "Company") hereby warrant that the information presented in this Annual Report is authentic, accurate, and complete, and free of false records, misleading statements, or material omissions, and shall undertake individual and joint legal liabilities accordingly.

Lv Liang, the Company's legal representative and the officer in charge of accounting, and Qiu Renbo, the head of Accounting Department (accounting manager), hereby declare that the financial statements contained in this Annual Report are authentic, accurate, and complete.

All directors have attended the meeting of the Board of Directors to review this Annual Report.

The future plans, development strategies and other forward-looking statements in this Annual Report shall not be considered as a substantial commitment of the Company to investors. Investors and related parties should be fully aware of the risks, and understand the differences between plans, forecasts and commitments.

The risks the Company faces in operation including industry policy changes and product price reduction risk, new drug R&D risk, investment and M&A risk and exchange rate fluctuation risk. For details, please refer to "(V) Potential risks and responses" under "XI. Prospect of the Company's future development" in "Section III. Management Discussion and Analysis".

Therefore, investors are kindly reminded to pay attention to possible investment risks.

The profit distribution plan deliberated and approved at the meeting of the Board of Directors is as follows: On the basis of 1,753,736,848 shares of the total share capital of the Company, a cash dividend of RMB 5.80 (tax inclusive) per 10 shares will be distributed to all shareholders; a total of 0 bonus share (tax inclusive) will be issued; and no capital reserves will be converted to increase the share capital.

According to “Stock Listing Rules of the Shenzhen Stock Exchange”, if listed companies have both Chinese and other language version of public notice, they should ensure the content of both versions are the same. In the case of discrepancy, the original version in Chinese shall prevail.

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Contents of Reference File

(I) Financial accounting statements signed and stamped by the legal representative, the officer in charge of accounting, and the head of Accounting Department (accounting manager).

(II) Original audit report stamped by the accounting firm, and signed and stamped by certified public accountants.

(III) The original of all Company's documents publicly disclosed in the press designated by CSRC during the reporting period and the original of announcements.

Definitions

Item	refers to	Definition
CSRC	refers to	China Securities Regulatory Commission
SZSE	refers to	Shenzhen Stock Exchange
Huadong Medicine/the Company/our Company	refers to	Huadong Medicine Co., Ltd.
China Grand Enterprises	refers to	China Grand Enterprises, Inc.
Huadong Medicine Group	refers to	Hangzhou Huadong Medicine Group Co., Ltd.
Zhongmei Huadong	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.
Jiangdong Company	refers to	Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.
Jiangsu Joyang	refers to	Joyang Laboratories
Jiuyuan Gene	refers to	Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd.
Doer Biologics	refers to	Zhejiang Doer Biologics Co., Ltd.
Chongqing Peg-Bio	refers to	Chongqing Peg-Bio Biopharm Co., Ltd.
Qyuns Therapeutics	refers to	Qyuns Therapeutics Co., Ltd.
Nuoling Bio	refers to	Nuoling Biomedical Technology (Beijing) Co., Ltd.
Meihua Hi-Tech/Anhui Meihua	refers to	Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.
Wuhu Huaren	refers to	Wuhu Huaren Science and Technology Co., Ltd.
Huida Biotech	refers to	Zhejiang Huida Biotech Co., Ltd.
Hizyme Biotech	refers to	Hangzhou Hizyme Biotech Co., Ltd.
Perfect mRNA	refers to	Hangzhou Perfect mRNA Biotechnology Co., Ltd.
Magic Health	refers to	Hubei Magic Health Technology Co., Ltd.
CARsgen Therapeutics	refers to	CARsgen Therapeutics Holdings Limited
Nanjing Nongda Animal Pharmaceutical	refers to	Jiangsu Nanjing Nongda Animal Pharmaceutical Co., Ltd.
Shengji Material	refers to	Zhejiang Shengji Material Technology Co., Ltd.
IMPACT Therapeutics	refers to	Nanjing IMPACT Therapeutics Co., Ltd.
GLP-1	refers to	Glucagon-like Peptide-1
Sinclair	refers to	Sinclair Pharma Limited
R2	refers to	R2 Technologies, Inc.
MediBeacon	refers to	MediBeacon Inc.
ImmunoGen	refers to	ImmunoGen, Inc.
RAPT	refers to	RAPT Therapeutics, Inc.
Kylane	refers to	Kylane Laboratoires SA
High Tech	refers to	High Technology Products, S.L.U.
Viora	refers to	Viora Ltd
Heidelberg Pharma	refers to	Heidelberg Pharma AG
Kiniksa	refers to	Kiniksa Pharmaceuticals (UK), Ltd.

Arcutis	refers to	Arcutis Biotherapeutics, Inc.
ATGC	refers to	ATGC Co., Ltd.
GMP	refers to	Good Manufacturing Practice
cGMP	refers to	Current Good Manufacturing Practice
GSP	refers to	Good Supply Practice
BE	refers to	Bioequivalence
CDE	refers to	Center for Drug Evaluation of National Medical Products Administration
MAH	refers to	Marketing Authorization Holder
FDA	refers to	U.S. Food and Drug Administration
NMPA	refers to	National Medical Products Administration
IPO	refers to	Initial Public Offering
API	refers to	Active Pharmaceutical Ingredient
DMF	refers to	Drug Master File, a confidential dossier prepared by the holder on a precautionary basis, which contains comprehensive details about facilities, manufacturing processes, and materials involved in the preparation, processing, packaging, and storage of one or more human drug products. The contents of a DMF may only be referenced by the FDA during its review of IND applications, NDAs, and ANDAs upon receipt of a Letter of Authorization from either the DMF holder or their legally authorized representative.
NHSA	refers to	National Healthcare Security Administration
KOL	refers to	Key Opinion Leader, individuals who possess extensive and more accurate information regarding products. They are recognized and trusted by a relevant community and have significant influence over the purchasing decisions of that group.
NDA	refers to	New Drug Application
BLA	refers to	Biologics License Application
ANDA	refers to	Abbreviated New Drug Application (i.e., Generic Drug Application)
CE certification	refers to	The EU's certification for products, which indicates that the products meet the requirements of relevant EU directives. It also serves as evidence that the products have undergone the corresponding conformity assessment procedures and that the manufacturer has made a declaration of conformity. This certification shows that the products can be sold in the EU market.
MDR	refers to	Medical Devices Regulation (EU) 2017/745

ICH	refers to	International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use
IND	refers to	Investigational New Drug
PK/PD	refers to	Pharmacokinetics/pharmacodynamics
CMC	refers to	Chemistry, Manufacturing and Control, mainly such pharmaceutical researches as manufacturing process, impurity research, quality research, and stability research during drug research and development.
CMO	refers to	Contract Manufacturing Organization, i.e. providing such services as customized manufacturing of medical intermediates, APIs and pharmaceutical preparations entrusted by pharmaceutical companies.
CDMO	refers to	Contract Development and Manufacturing Organization, mainly including providing customized R&D and production services for multinational pharmaceutical companies and biotechnology companies, such as process R&D and preparation, process optimization, scale-up manufacturing, registration and verification batches manufacturing, and commercial manufacturing of medicines, especially innovative drugs.
QA	refers to	Quality Assurance (department)
ADC	refers to	Antibody-Drug Conjugates
EBD	refers to	Energy-based device
license-in	refers to	Product license introduction
license-out	refers to	Product External License Authorization
BD	refers to	Business Development
EHS	refers to	Environment, Health, and Safety Management System
MRCT	refers to	Multi-regional Clinical studies
ESG	refers to	Environmental, Social and Governance
OTC	refers to	Over The Counter, i.e. medicines published by the medical products administration under the State Council and purchased and used by consumers at their discretion without the prescription of practicing doctors or assistant practicing doctors.
PFS	refers to	Progression-free survival
DTP	refers to	Direct to Patient
CADD	refers to	Computer-Aided Drug Design, a drug design method based on computer technology.
AIDD	refers to	Artificial Intelligence-Driven Drug Design, a method that applies Artificial

		Intelligence (AI) technology for drug development. In AIDD, AI algorithms are utilized to analyze large-scale molecular structure data, helping to predict intermolecular interactions and their therapeutic effects on diseases.
GLP-1	refers to	Glucagon-like Peptide-1
Prescription Drugs	refers to	Drugs that can only be purchased and used with a prescription issued by a physician
RWR/RWS	refers to	Real World Research/Study, RWR/RWS, which involves collection of data related to patients in the real world environment (real world data) and analysis to obtain the use value of medical products and clinical evidence of potential benefits or risks(real world evidence).
<i>2025 Medicine Catalog</i>	refers to	<i>National Reimbursement Drug List for Basic Medical Insurance, Work-related Injury Insurance, and Maternity Insurance (2025)</i>
Reporting period	refers to	From January 1, 2025 to December 31, 2025

Section II Company Profile and Key Financial Indicators

I. Company information

Stock name (abbreviation)	Huadong Medicine	Stock code	000963
Stock listed on	Shenzhen Stock Exchange		
Company name in Chinese	Huadong Medicine Co., Ltd.		
Company name in Chinese (abbreviation)	Huadong Medicine		
Company name in English (if any)	HUADONG MEDICINE CO., LTD		
Company name in English (abbreviation, if any)	HUADONG MEDICINE		
Legal representative of the Company	Lv Liang		
Registered address	Floors 4/7, No. 439, Zhongshan North Road, Gongshu District, Hangzhou City, Zhejiang Province		
Postal code of registered address	310006		
Changes of registered address	From the date of listing to July 2012, the registered address was "No. 439, Zhongshan North Road, Xiacheng District, Hangzhou". From July 2012, the registered address was changed to "Floors 9/10, Gate No. 1, Building No. 1, No. 468 Yan'an Road, Hangzhou". From July 2019, the registered address was changed to "Floors 7/9/10, Gate No. 1, Building No. 1, No. 468 Yan'an Road, Hangzhou". From July 2022, the registered address was changed to "Floors 9/10, Gate No. 1, Building No. 1, No. 468 Yan'an Road, Hangzhou". From June 2023, the registered address was changed to "Floors 4/7, No. 439, Zhongshan North Road, Gongshu District, Hangzhou City, Zhejiang Province".		
Office address	New Office Building of Huadong Medicine, No. 858, Moganshan Road, Gongshu District, Hangzhou City, Zhejiang Province		
Postal code of office address	310011		
Company website	www.eastchinapharm.com		
Email address	ir@eastchinapharm.com		

II. Contact persons and contact information

	Secretary of the Board of Directors	Securities affairs representative
Name	Chen Bo	Hu Shufen
Contact address	New Office Building of Huadong Medicine, No. 858, Moganshan Road, Gongshu District, Hangzhou City, Zhejiang Province	New Office Building of Huadong Medicine, No. 858, Moganshan Road, Gongshu District, Hangzhou City, Zhejiang Province
Tel.	0571-89903300	0571-89903300
Fax	0571-89903366	0571-89903366
Email address	ir@eastchinapharm.com	ir@eastchinapharm.com

III. Channels of disclosure and location of preparation

Website of the stock exchange for publishing the annual report	Shenzhen Stock Exchange - http://www.szse.cn
Media and website for publishing the annual report	<i>China Securities Journal, Securities Times, Shanghai Securities News, and Cninfo (www.cninfo.com.cn)</i>
Location of preparation of the Company's annual report	Office of the Company's Board of Directors

IV. Registration changes

Unified Social Credit Code	91330000143083157E
Changes of the Company's main business since its listing (if any)	None
Previous changes of controlling shareholder (if any)	None

V. Other information

Accounting firm engaged by the Company

Name	Pan-China Certified Public Accountant LLP (Special General Partnership)
Office address of accounting firm	Office Building T2, Run'ao Business Center, Yin Feng Subdistrict, Xiaoshan District, Hangzhou, Zhejiang Province
Signing accountants	Hu Yanhua and Chen Xiaodong

Sponsors for continuous supervision and guidance during the reporting period

Applicable Not applicable

Financial consultant for continuous supervision and guidance during the reporting period

Applicable Not applicable

VI. Key accounting data and financial indicators

Whether the Company needs to perform a retroactive adjustment or restatement of previous accounting data

Yes No

	2025	2024	Year-on-year increase/decrease	2023
Operating revenue (RMB)	43,612,009,891.02	41,905,707,385.91	4.07%	40,623,782,520.43
Net profits attributable to shareholders of the listed company (RMB)	3,414,335,326.41	3,512,104,678.06	-2.78%	2,838,860,542.80
Net profits attributable to shareholders of the listed company after deduction of non-recurring profit and loss (RMB)	3,311,448,470.60	3,351,680,026.72	-1.20%	2,736,571,736.98
Net cash flow from operating activities (RMB)	4,245,604,371.17	3,748,928,882.35	13.25%	3,929,216,706.70

Basic earnings per share (RMB/share)	1.9484	2.0046	-2.80%	1.6219
Diluted earnings per share (RMB/share)	1.9465	2.0034	-2.84%	1.6207
Weighted average return on equity	14.28%	15.93%	-1.65%	13.96%
	End of 2025	End of 2024	Change from prior year-end	End of 2023
Total assets (RMB)	39,038,036,320.92	37,879,046,367.15	3.06%	33,509,361,816.98
Net assets attributable to shareholders of the listed company (RMB)	24,811,339,992.99	23,060,051,397.36	7.59%	21,047,609,756.66

The Company's net profit before or after deducting non-recurring profits and losses, whichever is lower, in the last three fiscal years are all negative, and the audit report of last year shows doubt about the Company's ability to continue as a going concern.

Yes No

The lowest of the Company's audited total profit, net profit, and net profit after deducting non-recurring profits and losses during the reporting period is negative.

Yes No

The Company's total share capital as of the trading day prior to disclosure:

The Company's total share capital as of the trading day prior to disclosure (shares)	1,753,736,848.00
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Fully diluted earnings per share based on the latest share capital:

Preferred dividends paid	0.00
Paid perpetual bond interest (RMB)	0.00
Fully diluted earnings per share based on the latest share capital (RMB/share)	1.9469

VII. Differences in accounting data under domestic and overseas accounting standards

1. Differences in net profit and net assets disclosed in financial statements under international and Chinese accounting standards

Applicable Not applicable

There are no differences in net profit and net assets disclosed in financial statements under international and Chinese accounting standards during the reporting period.

2. Differences in net profit and net assets disclosed in financial statements under overseas and Chinese accounting standards

Applicable Not applicable

There are no differences in net profit and net assets disclosed in financial statements under overseas and Chinese accounting standards during the reporting period.

VIII. Key financial indicators by quarter

Unit: RMB

	Q1	Q2	Q3	Q4
Operating revenue	10,735,787,899.82	10,939,141,065.39	10,989,214,170.47	10,947,866,755.34
Net profit attributable to shareholders of the listed company	914,708,484.70	900,118,376.16	933,089,158.25	666,419,307.30
Net profit attributable to shareholders of the listed company after deduction of non-recurring profit and loss	897,337,982.42	864,396,273.56	931,780,891.87	617,933,322.75
Net cash flow from operating activities	-832,728,693.88	3,289,577,203.98	154,003,434.08	1,634,752,426.99

Whether the above financial indicators or their totals are significantly different from relevant financial indicators in previous quarterly and semi-annual reports disclosed by the Company

Yes No

IX. Items and amounts of non-recurring profit and loss

Applicable Not applicable

Unit: RMB

Item	Amount in 2025	Amount in 2024	Amount in 2023	Description
Profits/losses on disposal of non-current assets (including the written-off part of the accrued impairment provision of assets)	2,263,396.06	-7,497,064.66	-823,262.36	
Government grants included in current profits and losses (excluding those closely related to normal business operation of the Company, distributed constantly in accordance with defined standards in line with national policies and regulations, and constantly affecting the Company's profits and losses)	218,030,365.40	163,972,203.37	143,315,700.34	See VII (67) of the Notes to Financial Statements for details of government grants.
Profits and losses caused by fair value changes in financial	-600,622.90	-16,466,668.21	-13,756,372.80	See VII (70) of the Notes to Financial Statements for details

assets and financial liabilities held by non-financial enterprises, and profits and losses arising from the disposal of financial assets and liabilities, excluding the effective hedging business related to the normal business operation of the Company				
Reversal of impairment provision of receivables individually tested for impairment	160,503.73	759,760.70	5,566,940.29	
One-time impact on current profits and losses due to adjustments in tax, accounting, and other laws and regulations			136,860.05	
Other non-operating revenue and expenses other than those mentioned above	-90,997,459.11	-20,783,317.88	18,554,535.07	See VII (74, 75) of the Notes to Financial Statements for details of non-operating incomes and expenses.
Other profit and loss items that satisfy the definition of non-recurring profit and loss		57,557,709.09	-11,588,239.52	
Less: Amount affected by income tax	16,756,165.34	9,728,855.81	28,072,652.93	
Amount affected by minority interests (after tax)	9,213,162.03	7,389,115.26	11,044,702.32	
Total	102,886,855.81	160,424,651.34	102,288,805.82	--

Details of other profit and loss items conforming to the definition of non-recurring profits and losses

Applicable Not applicable

There are no other profit and loss items that meet the definition of non-recurring profits and losses

Explanation for recognizing an item listed as a non-recurring profit and loss in the *Interpretative Announcement No. 1 on Information Disclosure Criteria for Public Listed Companies - Non-Recurring Profits and Losses* as an item of recurring profit and loss

Applicable Not applicable

The Company did not recognize any item of non-recurring profit and loss items listed in the *Interpretative Announcement No. 1 on Information Disclosure Criteria for Public Listed Companies - Non-Recurring Profits and Losses* as an item of recurring profit and loss.

Section III Management's Discussion and Analysis

I. Main business of the Company during the reporting period

Founded in 1993 and headquartered in Hangzhou, Zhejiang Province, Huadong Medicine Co., Ltd. (stock code: 000963) was listed on Shenzhen Stock Exchange in December 1999. With its businesses covering the entire pharmaceutical industry chain thanks to over 30 years of vigorous development, the Company has now fostered four major business segments of pharmaceutical industry, pharmaceutical distribution, aesthetic medicine and industrial microbiology, and has been a large comprehensive listed pharmaceutical enterprise specialized in pharmaceutical R&D, production, and marketing.

Specialized in the R&D, production and marketing of specialized medicines, medicines for chronic diseases, as well as special medicines for years, the Company has established complete international pharmaceutical production systems, and fostered core product lines focusing on chronic kidney disease, immunology, oncology, endocrinology, digestive system, cardiovascular system, and other fields. With multiple first-line clinical medicines with market advantages in China, the Company has won international certifications for multiple varieties of its products. The Company has strategically focused its R&D efforts on innovative drugs within three core therapeutic areas of endocrinology, autoimmunity, and oncology through a combination of in-house development, external partnerships, and collaborative projects, fostering a differentiated innovative medicine pipeline that spans the entire R&D life cycle and a robust product portfolio. Moreover, the Company has established strategic partnership with numerous multinational innovative medicine R&D companies and pharmaceutical companies on products in Chinese market.

The Company has long been deeply engaged in three major business segments—pharmaceuticals, medical devices, and herbal decoction pieces. It has further expanded its service portfolio to encompass project support, channel development, government affairs services, and compliance solutions. Leveraging a highly specialized and large-scale logistics system for cold-chain products, vaccines, and specialty medicines, as well as its proprietary branded pharmaceutical e-commerce business, the Company continues to strengthen its omni-channel marketing capabilities and enhances its market competitiveness. It has consistently ranked among the "China's Top 10 Pharmaceutical Wholesalers" for multiple consecutive years. The Company has operated three major supply chain hubs in Hangzhou, Jinhua, and Wenzhou within Zhejiang Province, supported by 13 regional warehouses with a total storage area exceeding 190,000 m². This has enabled the

formation of an integrated multi-warehouse logistics network across Zhejiang Province. The pharmaceuticals segment boasts comprehensive and full-category service capabilities and an omni-channel operational framework, enabling seamless integration of in-hospital and out-of-hospital coordination, along with distribution and agency services. The medical devices segment, built on a foundation of large-scale distribution network, continuously expands its specialized agency and supply chain service offerings. The herbal decoction pieces segment has established a complete industrial chain covering base cultivation, decoction piece processing, automated decoction, and proprietary brand sales, achieving full-chain coverage from source to end-user. Driven by a commitment to "service innovation", the Company continues to enhance precision services for upstream and downstream partners through the integration of supplier collaboration, Contract Sales Organization (CSO) services, Supply, Processing & Distribution (SPD) operations, and industry-academia-research initiatives. It is dedicated to becoming a "comprehensive pharmaceutical services provider" trusted by society at large.

In the field of aesthetic medicine, the Company has created a comprehensive and differentiated product matrix aligned with its strategy of "global operational layout and dual-circulation business development", supported by an international perspective and forward-looking strategic planning. The Company currently stands as an industry leader in terms of product quantity and market coverage. Specifically, it has launched over 30 products in China and overseas, with nearly 20 global innovative products under development. By cultivating differentiated product pipelines across three major injectable categories—regenerative products, hyaluronic acid, and botulinum toxin—the Company aims to become a leading global provider of comprehensive aesthetic medicine solutions. It is committed to delivering more professional, efficient, holistic, and safe treatment solutions to the patients through diversified combination therapies that integrate "non-invasive and minimally invasive", "facial and body contouring", and "injectable + energy-based device" approaches. The Company operates multiple R&D centers and manufacturing bases worldwide, promoting and selling injectable regenerative fillers, botulinum toxin, hyaluronic acid fillers, facial lifting threads, while also advancing and expanding energy-based aesthetic device business in the global markets.

The Company's industrial microbiology business focuses on two strategic pillars: innovation in synthetic biotechnology and the advancement of the biopharmaceutical industry. It prioritizes the development of four core segments—xRNA, featured APIs and intermediates, massive health and biomaterials, and animal health. Leveraging four decades of expertise, the Company has established a comprehensive R&D ecosystem centered on synthetic biology R&D platform, industrial microbiology R&D platform, and synthetic chemistry R&D platform. With full-chain technological

capabilities in microbial engineering, the Company has built an integrated system spanning the entire life cycle of microbial-derived medicines, alongside interdisciplinary R&D platforms and industrial resource networks. As for its industrial layout, the Company operates seven coordinated c bases in Hangzhou Xiangfuqiao, Qiantang New Area, Jiangsu Joyang Laboratories, Magic Health, Anhui Meihua, Wuhu Huaren, and Nanjing Nongda Animal Pharmaceutical. Moreover, the Company has set up the largest fermentation monomer plants in Zhejiang Province and formed the industry-leading intelligent production system that covers all stages from strain screening and process development to scaled production. With a complete manufacturing ecological chain that encompasses technological R&D, pilot-scale amplification, engineering conversion, and quality control, the Company sustains its industry leadership in fermentation capacity and process sophistication.

II. Industry situation during the reporting period

The year 2025 marks both the conclusion of China's 14th Five-Year Plan period and a pivotal juncture at which China's pharmaceutical industry advances toward high-quality development amidst profound structural transformations. Globally, the geopolitical landscape has grown increasingly intricate and volatile, characterized by intensified competition and strategic rivalries in international politics and trade. Unilateral measures, such as tariff barriers, continue to evolve, while the momentum of economic growth has weakened. Against the backdrop of further regulatory compliance, medical insurance payment reforms, and the normalization of centralized drug procurement in China's pharmaceutical sector. These dynamics have fundamentally reshaped the industry's value logic. The market space for generic drugs has been increasingly compressed, compelling companies to accelerate the restructuring of competitive landscapes and transition toward innovation-driven strategies. The rebound of capital markets, coupled with the implementation of innovation-friendly policies, has driven further industry consolidation. An innovation ecosystem with global competitiveness is gradually taking shape, marking a historic shift in China's pharmaceutical sector from "generic-driven catch-up" to "independent innovation".

At the policy level, the General Office of the State Council issued the *Opinions on Comprehensively Deepening the Reform of Drug and Medical Device Regulation to Promote the High-Quality Development of the Pharmaceutical Industry*, unveiling major initiatives to optimize the review and approval processes, strengthen innovation support, enhance intellectual property protection, and reinforce full life-cycle supervision. These initiatives significantly bolster the research and development (R&D) and innovation efforts for key innovative drugs, medical devices,

and traditional Chinese medicine (TCM) that are urgently needed clinically, providing clearer pathways for high-quality industry development. Medical insurance authorities continued to refine the dynamic adjustment mechanism for the National Reimbursement Drug List (NRDL), prioritizing the inclusion of innovative therapies and rare-disease medicines with high clinical value in the payment scope. Meanwhile, the General Office of the State Council released the *Opinions on Improving the Quality of Traditional Chinese Medicine to Promote the High-Quality Development of the TCM Industry*, aiming to elevate TCM quality standards, support high-quality development of the TCM industry, and facilitate breakthroughs in the modernization and internationalization of TCM industry.

From an industry performance perspective, China's pharmaceutical industry has exhibited signs of stabilization and recovery, characterized by "slight fluctuations in revenue, steady profit repair, and continuous structural optimization", with increasingly prominent features of high-quality development. In 2025, the pharmaceutical manufacturing industry above designated size nationwide achieved an operating revenue of RMB 2,487 billion, representing a year-on-year decrease of 1.2%. The annual total profit reached RMB 349 billion, with a steady increase in the overall industry profit margin. The trend of profit recovery continued to solidify, further highlighting the resilience of industrial development. The outcomes of innovation-driven development continue to manifest. Innovative products with substantial clinical value—including innovative drugs, biosimilars, high-end medical devices, and differentiated TCM—have rapidly achieved commercial scale-up through pathways such as NRDL negotiations and more standardized market access mechanisms. China's innovative drug R&D achievements have witnessed a surge, with the transaction amount of BD (Business Development) reaching record highs. Going global has increasingly become a critical driver of growth. In parallel, the internationalization of the pharmaceutical industry has accelerated with greater efficiency. The export scale of featured APIs, high-end preparations, aesthetic medicine products, and industrial microbial products have expanded steadily. The proportion of revenue derived from overseas markets continued to rise, serving as an important buffer against domestic market fluctuations and providing new avenues for growth.

III. Core competitiveness analysis

1. Open innovative drug R&D system and continuously improved innovation ability

The Company has consistently placed a high priority on innovation and research and development, and adhered to the philosophy of "research-driven and patient-centered" development.

Guided by the principles of clinical value, pharmacoeconomic value, and commercial viability, the Company continues to sustain a high level of investment in R&D activities. Its Global Innovative Drug R&D Center serves as the cornerstone for innovation strategy formulation, pipeline planning, and clinical study and development. Following years of dedicated development, the Company has established a relatively comprehensive and independent drug R&D system that encompasses the entire life cycle of drug development—from drug discovery and pharmaceutical research through preclinical and clinical studies to industrialization.

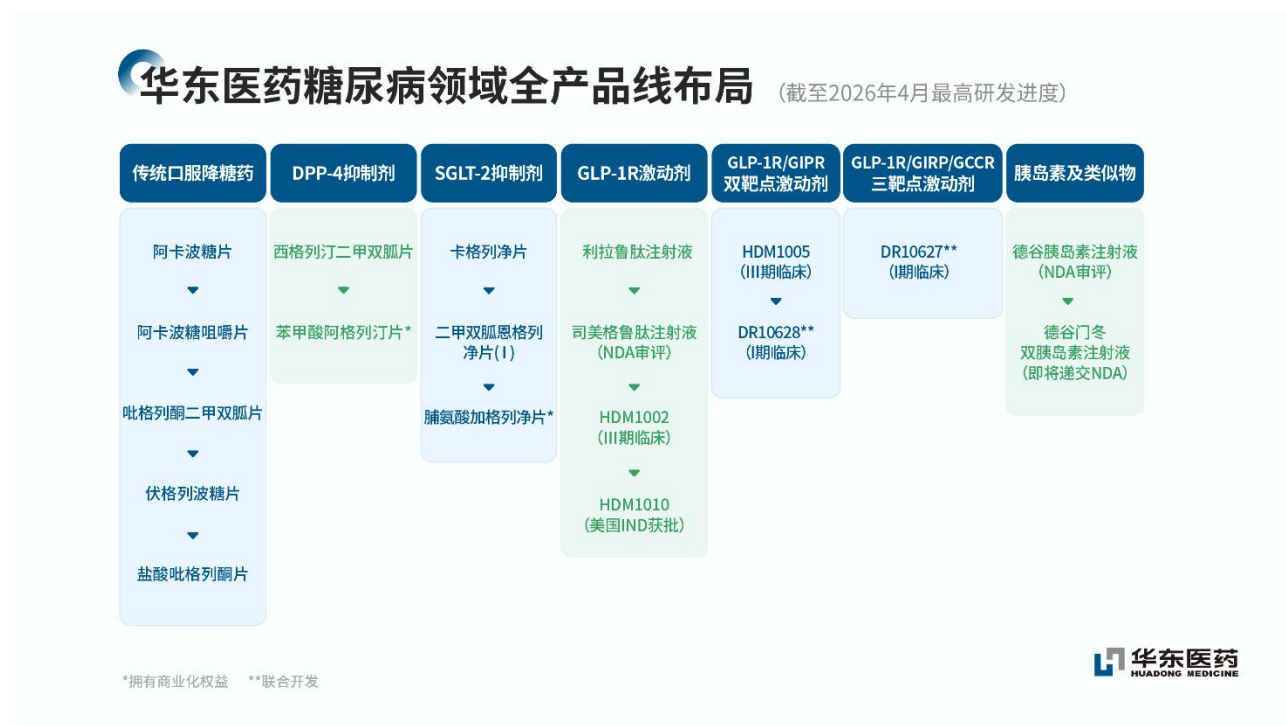
Focusing on three core therapeutic fields—oncology, endocrinology, and autoimmunity—the Company remains committed to continuous development and has cultivated a diversified portfolio of differentiated innovative product pipelines that cover the full R&D cycle via independent R&D, external cooperation, license-in. All these merits effectively empower the continuous initiation and marketing of innovative products, offering impetuses for the Company's medium- and long-term development. The Company has continuously leveled up its independent R&D and innovation capabilities with its innovative drug pipelines now covering over 90 items, positioning it within the top tier of the pharmaceutical industry in China.

2. Diverse product pipelines for specialized and chronic diseases, and featured layout in three core therapeutic fields

Focusing on specialized medicines, medicines for chronic diseases, as well as special medicines for years, the Company has fostered good brand effect and laid strong market foundation in such fields as chronic kidney disease, immunology, endocrinology, oncology, digestive system and cardiovascular diseases, continuously keeping in the forefront of similar products in China in terms of market share. Meanwhile, the Company has successfully launched first-in-class drugs in three core therapeutic fields—oncology, endocrinology, and autoimmunity—and has developed three featured product matrices: ADC, GLP-1, and topical preparations, forming differentiated competitive advantages.

Specializing in medicines for diabetes for over two decades, the Company has comprehensively laid out product pipelines of innovative and differentiated generic drugs for clinical mainstream therapeutic targets of diabetes, with over 20 types of products under development or put in commercial production. Now, the Company has fostered good brand effect and laid strong market foundation. The existing and subsequently-upgraded products cover multiple mainstream targets, including α -glucosidase inhibitors, DPP-4 inhibitors, SGLT-2 inhibitors, GLP-1 receptor single-target and long-acting multi-target agonists, as well as insulin and its analogs. Centered on the GLP-1 target, the Company has developed a comprehensive and differentiated product pipeline that combines long-acting and multi-target global innovative drugs and biosimilars,

including oral tablets and injections.



In the field of oncology, the Company focused on cutting-edge therapies such as ADCs and CAR-T, continuously strengthening its product pipeline. Additionally, the Company has invested in, acquired controlling stakes in, and incubated a number of domestic biotechnology enterprises with leading-edge technologies, while also establishing both product and equity partnerships with Heidelberg Pharma in Germany (where the Company serves as its second-largest shareholder). By

introducing Heidelberg's proprietary ATAC (antibody-amanitin conjugate) technology platform, the Company has built a distinctive global ADC R&D ecosystem. The Company is actively developing a world-class ADC innovation platform with fully integrated in-house capabilities. Its ADC innovative drug is characterized by differentiated targets and a well-structured pipeline architecture. These efforts are dedicated to delivering more advanced and effective therapeutic options to cancer patients.

华东医药主要肿瘤产品管线布局 (截至2026年4月)

领域	适应症	在研产品	已获批产品
实体瘤	卵巢癌	DR30206 (I b期)	爱拉赫®、派舒宁®*
	非小细胞肺癌	DR30206 (I b期)	迈瑞东®
	肝细胞癌		淫羊藿素软胶囊*、注射用奥沙利铂
	乳腺癌		阿那曲唑片、来曲唑片
	结直肠癌		注射用奥沙利铂
	前列腺癌	HDM2031 (临床前)	
	消化道肿瘤	DR30206 (I b/II a期)	
	头颈部鳞癌	DR30206 (I b期)	
	实体瘤	HDM2005 (I 期) HDM2006 (I 期) HDM2012** (I 期) HDM2017** (I 期) HDM2020** (I 期) HDM2024 (I 期)	
	血液瘤	多发性骨髓瘤	HDM2027** (I 期)
套细胞淋巴瘤		HDM2005** (I 期)	
弥漫大B细胞淋巴瘤		HDM2005 (I 期)	
经典霍奇金淋巴瘤		HDM2005 (I 期)	
非霍奇金淋巴瘤		IM19* (NDA/BLA)	
骨髓增生异常综合征			注射用地西他滨

注: 该列表为不完全列表, 研发进度指截至报告发布的国内最高研发进展。
*商业化/市场推广权益
**HDM2005套细胞淋巴瘤, HDM2012的胃癌和胃食管交界癌、胰腺癌, HDM2017胆道癌、胃癌和胰腺癌, HDM2020胃癌和胃食管交界癌, HDM2027 (HDP-101) 多发性骨髓瘤适应症获美国FDA孤儿药资格认定

In the field of autoimmunity, the Company's marketed and pipeline products cover a wide range of indications, including transplant immunology, psoriasis, atopic dermatitis, rheumatoid arthritis, seborrhoeic dermatitis, prurigo nodularis, vitiligo, recurrent pericarditis, and cryopyrin-associated periodic syndromes. These indications span across dermatology, rheumatology,

cardiovascular, respiratory, and transplant-related diseases, making the Company one of the most comprehensive pharmaceutical enterprises in China in terms of coverage in the autoimmune disease area. Additionally, the Company's innovative drug R&D center has been focusing on new targets and biological mechanisms, developing multiple early-stage projects for immune diseases, all of which are progressing smoothly. With regard to autoimmunity, the Company stretched its coverage to topical preparations, built topical preparation R&D platforms, and steadily advanced the R&D and innovation of external and complicated preparations. Currently, the Company's wholly-owned subsidiary, Huadong Medicine (Xi'an) Bodyguard Pharmaceutical Co., Ltd. and its controlled subsidiary, Shaanxi Jiuzhou Pharmaceutical Co., Ltd., have jointly fostered four production lines for topical preparations. The Company now has as many as 10 products of topical preparations either under development or in commercial production.

华东医药免疫领域全产品线布局 (截至2026年4月)

▲ 合作开发 ■ 国内已上市产品

分类	剂型	移植免疫	银屑病	类风湿关节炎	特应性皮炎	结节性痒疹	炎症性肠病	强直性脊柱炎	复发性心包炎/ 冷吡琳综合征	脂溢性皮炎	白癜风	IGA肾病
生物制剂	注射剂		赛乐信® HDM3018	恩利®*	HDM3016▲	HDM3016▲	赛乐信® (克罗恩病) HDM3018	恩利®*	炎朵®			HDM4002
	外用制剂		ZORYVE® 乳膏(0.3%) MC2-01乳膏		ZORYVE® 乳膏(0.15%) ZORYVE® 乳膏(0.05%)							
外用制剂	泡沫		ZORYVE® 泡沫(0.3%)							ZORYVE® 泡沫(0.3%)		
	软膏				他克莫司软膏							
	凝胶					HDM3010					HDM3010	
	胶囊	吗替麦考酚酯胶囊 他克莫司缓释胶囊 他克莫司胶囊 环孢素软胶囊	环孢素软胶囊	环孢素软胶囊	环孢素软胶囊							
口服	片剂	吗替麦考酚酯片 吗替麦考酚酯分散片	尚杰®*	尚杰®*	VC005*			尚杰®*	VC005*			VC005*
	口服溶液	环孢素口服溶液 西罗莫司口服溶液	环孢素口服溶液	环孢素口服溶液	环孢素口服溶液							
	颗粒	他克莫司颗粒										
	干混悬剂	吗替麦考酚酯干混悬剂										

*拥有商业化权益

免疫领域已实现口服制剂、生物制剂及外用制剂产品的全覆盖 >>

3. A leading professional pharmaceutical service team in China and a mature and well-established commercial operation system

The Company's pharmaceutical development is supported by a highly specialized team dedicated to pharmaceutical services and market development. Centered on clinical value and

academic promotion, the team advances an integrated marketing model that connects comprehensive hospitals, primary-level medical institutions, the retail sector, third-terminal channels, and online platforms. With a sales network covering more than 30 provinces, autonomous regions, and municipalities nationwide, the Company has established a multi-channel, wide-coverage presence with strong competitive advantages.

Leveraging Zhejiang as its strategic hub, the Company's pharmaceutical distribution has developed a mature and comprehensive commercial infrastructure backed by an extensive product portfolio. The Company enjoys a significant competitive edge in market access and channel networks. It has forged strategic partnerships with over 95% of leading domestic and international pharmaceutical manufacturers. Its sales network extends to all 90 counties and districts across Zhejiang Province, achieving 100% coverage of public medical institutions. In parallel, the Company continues to expand its footprint into high-end retail pharmacies and private hospitals, further consolidating its long-standing leading position in regional market share. Through continuous enhancement of core competencies—particularly in strategic collaborations with top-tier hospitals, policy alignment, innovation in professional and diversified service systems, and efficient organizational operations—the Company has established differentiated and sustainable competitive strengths. The Company offers dedicated and profound service to its upstream and downstream partners, and delivers holistic value spanning from project-oriented specialized market access and integrated commercial solutions (CSO) to retail and DTP channel deployment, local government liaison, and compliant payment assistance. Actively responding to healthcare reform policies, the Company reinforces strategic collaborations with major partners and continues to lead in key domains such as specialized market access, multi-channel marketing, government-affairs coordination, pharmaceutical service innovation, third-party cold-chain logistics, and automated herbal decoction services, thereby solidifying its position as an industry leader in Zhejiang Province.

4. A comprehensive high-end international aesthetic medicine product pipeline

Focusing on the global high-end medical aesthetics market, the Company has established an internationalized team dedicated for aesthetic medicine operations and BD. Through mergers and acquisitions and product in-licensing in recent years, the Company has progressively refined and enriched its industrial layout for high-end aesthetic medicines. The Company now provides full-spectrum coverage in the mid- to high-end markets for non-surgical aesthetic injectables and energy-based devices. Its portfolio comprises more than 50 high-end, internationally sourced minimally invasive and non-invasive aesthetic products, 33 of which have already been launched in domestic or overseas markets. Its globally patented product suite spans mainstream non-surgical aesthetic categories, including frown lines improvement, facial and body filling, thread lifting, skin

management, body contouring, depilation, and intimate rejuvenation. The Company has thus established a comprehensive product cluster, ranking among the industry leaders in terms of product number and coverage breadth, while continuing to expand its global presence. Meanwhile, the Company has achieved full coverage across three major injectable categories—regenerative products, hyaluronic acid, and botulinum toxin—forming a multi-dimensional, full-face aesthetics treatment system. This allows the Company to provide consumers with integrated and one-stop facial aesthetic solutions. The Company's aesthetic medicine marketing network spans over 80 countries and regions worldwide, supported by a professional aesthetic medicine sales team of over 600 members across markets in and out of China.

5. Outstanding and leading international competitiveness in industrial microbiology segment

The Company has been deeply engaged in the field of industrial microbiology. It operates the largest fermentation monomer plant in Zhejiang Province and maintains industry-leading capabilities in microbial drug production. Its advanced R&D strengths span all stages of microbial engineering technologies, including strain development, metabolic pathway regulation, enzymatic catalysis, synthetic modification, separation and purification. The Company has constructed a complete manufacturing system encompassing microbial project R&D, pilot-scale test, commercial production, engineering and utility system support. It has also established an R&D cluster centered on the Synthetic Biology R&D Platform (Huadong Synthetic Biology Research Institute), Industrial Microbiology R&D Platform (Huida Biotech), and Synthetic Chemistry R&D Platform, as well as seven industrial bases in Hangzhou Xiangfuqiao, Qiantang New Area, Jiangsu Joyang Laboratories, Magic Health, Anhui Meihua, Wuhu Huaren, and Nanjing Nongda Animal Pharmaceutical. Building on these capabilities, the Company is making every effort to the integrated development of "production, research and marketing" in the field of industrial microbiology.

For the industrial microbiology team of the Company, an innovative, internationalized team characterized by strong collaboration and high efficiency has been built. It features a composite talent structure with seasoned industry experts at the core and a new generation of young researchers as the backbone, forming a specialized operating system that combines deep technical expertise with vibrant innovation. In terms of R&D, the Company's Industrial Microbiology Division has been committed to forming an efficient R&D team centered around high-caliber talents. To date, 34% of its R&D personnel hold master and/or doctoral degrees. In the field of industrial microbiology, the Company has initiated over 463 R&D projects, including 266 projects for xRNA raw materials, 113 projects for featured APIs & intermediates, 49 projects for wellness &

biomaterials, and 35 projects for animal health.

6. Prudent and pragmatic operation style, and stable returns to shareholders

The Company places strong emphasis on management innovation and strives to enhance its market competitiveness through continuous improvements in operational excellence. Supported by high-quality products, superior commercialization capabilities, compliant and efficient marketing services, differentiated market positioning, forward-looking innovation-driven R&D layout, and comprehensive talent development, the Company continues to exhibit long-term and resilient growth. Since it was listed, the Company has distributed dividends for 25 times, with a cumulative dividend amount of RMB 8.873 billion, which is 35.49 times the funds raised through its initial public offering (IPO) of RMB 250 million, providing continuous and stable investment returns to shareholders.

IV. Analysis of main business

1. Overview

The year 2025 marks the inaugural year and heralds the commencement of the Company's eighth three-year development plan. Amid evolving policies and an increasingly complex and challenging pharmaceutical landscape, the Company remained firmly committed to its strategic direction. All employees of Huadong Medicine rose to the challenge, took proactive actions, and stayed closely aligned with the Company's overarching strategy and annual business objectives. Guided by the business philosophy of "driving development through decisive execution and empowering frontline management", and by adhering to the action guidelines of "upholding the entrepreneurial spirit, continuing to deepen reforms, strengthening organizational structure, and seizing development opportunities", the Company has actively explored pathways for high-quality and innovation-driven growth. By adopting a mindset of agile response and forward-looking transformation, the Company steadily advanced its key initiatives and achieved continuous breakthroughs in R&D innovation, commercialization expansion, and cross-segment synergy and integration. Despite external volatility, the Company has delivered a solid set of high-quality development results and successfully accomplished the phased goals of its eighth three-year development plan, entering a new stage of stable and resilient growth.

In 2025, the Company recorded operating revenue of RMB 43.612 billion, representing a year-on-year ("YoY") increase of 4.07%. It reported a net profit attributable to shareholders of the listed company in the amount of RMB 3.414 billion, down 2.78% YoY; net profit attributable to

shareholders after deducting non-recurring profit and loss was RMB 3.311 billion, showing a YoY decline of 1.20%.

During the reporting period, the Company maintained stable operations with a consolidated gross profit margin of 32.36%. Net cash flow from operating activities reached RMB 4.246 billion, up 13.25% YoY. As of the end of 2025, the Company's total assets stood at RMB 39.038 billion, and net assets attributable to shareholders of the listed company amounted to RMB 24.811 billion. The asset-liability ratio was 35.52%, and return on equity (ROE) was 14.28%.

During the reporting period, the overall performance of the Company's joint stock companies at home remained on a positive trajectory, with the corresponding long-term equity investments accounted for under the equity method turning profitable. In contrast, overseas joint stock companies abroad (primarily Heidelberg Pharma in Germany and R2 in the United States) incurred operating losses for the current period, which, when accounted for under the equity method, collectively reduced the Company's consolidated net profits by approximately RMB 140 million. Additionally, Sinclair, the Company's wholly-owned subsidiary in the United Kingdom, conducted internal organizational and product-related optimization within its energy-based device (EBD) business. Due to a decline in revenue, Sinclair incurred operating losses and collectively recognized goodwill impairment in the amount of RMB 78.11 million during the current period. Excluding the impact of the aforementioned goodwill impairment, the Company's net profit attributable to shareholders after deducting non-recurring profit and loss for 2025 would have been RMB 3.39 billion, representing a YoY increase of 1.13%.

I. Operating and development situation of four major business segments of the Company during the reporting period

(I) Pharmaceutical industry

During the reporting period, Zhongmei Huadong, the Company's core subsidiary, adeptly navigated through a labyrinth of complex regulatory changes and intensely competitive market conditions. It did so by steadfastly focusing on the core objective of achieving steady business growth. This subsidiary bolstered its compliance management framework, further enhanced its medical, market, and market-access systems, expedited the launch and promotion efforts of new products, expanded emerging business sectors such as hospital-based aesthetic medicines and animal health, and continued to fortify its product pipeline. As a result, its overall business performance sustained a positive growth trajectory. In 2025, the Company's pharmaceutical industry segment achieved operating revenue (including CSO services) of RMB 14.784 billion, representing a year-on-year increase of 7.04%. It reported a net profit attributable to the parent company in the amount of RMB 3.355 billion, up 15.59% year-on-year, with a return on equity of 25.75%.

Supported by sustained R&D investment and the introduction of high-quality projects during the reporting period, the pharmaceutical industry segment of the Company continued to expand its portfolio of innovative products. Coupled with its marked pipeline products, the Company has constructed a diversified and highly competitive product portfolio targeting key therapeutic areas, including oncology, autoimmune diseases, endocrinology, and gastroenterology, offering individualized and full-cycle treatment solutions for clinical practice. Benefiting from the continuous enhancement of its product portfolio, the Company witnessed a steady increase in its market share in hospitals, while its product structure continued to undergo optimization and upgrading. This fully demonstrated the Company's strong capabilities in transforming and commercializing innovation achievements.

Leveraging its leading R&D system and core technology platforms, the Company has built a diversified portfolio of innovative products. In the oncology field, it boasts major products such as Elahere[®] (Mirvetuximab Soravtansine Injection), CAR-T product zevor-cel (Zevorcabtagene Autoleucel Injection), PARP inhibitor Paishuning[®] (Senaparib Capsules), and Mairuidong[®] (Mifanertinib Maleate Tablets). In the endocrinology field, it possesses core varieties such as Nesina[®] (Alogliptin Benzoate Tablets), Liluping[®] (Liraglutide Injection), and Huiyoujing[®] (Ganagliflozin Proline Tablets). In the autoimmune field, it has deployed Sailexin[®] (Ustekinumab Injection). In the gastroenterology field, it launched Xinlian[®] (linaprazan glurate). Meanwhile, MediBeacon[®] TGFR, the world's first bedside renal function precision monitoring and evaluation product suitable for patients with normal or impaired renal function, has officially entered the commercialization promotion stage, creating a differentiated and innovative competition barrier.

During the reporting period, as multiple innovative products were successively approved for launch, the resulting incremental revenue continued to accelerate, with innovative products contributing an increasing share of revenues. During the current period, sales and agency service revenue from innovative products reached RMB 2.34 billion, up 64.2% YoY, accounting for 15.81% of the pharmaceutical industry segment's (including CSO services) operating revenue. The overall business has therefore entered a high-growth trajectory, continuously validating the transformation efficiency of the Company's R&D achievements and reflecting the professionalism of its commercialization operations.

The Company continues to focus on its three core therapeutic areas—oncology, endocrinology, and autoimmunity diseases—and has established a diversified and distinctive portfolio covering ADCs, GLP-1 therapies, and topical preparations. The Company's pipeline under development is well-diversified, encompassing both first-in-class innovative drugs and biosimilars, and covering multiple high-growth niche therapeutic segments. Starting in 2026, a series of internally developed

and in-licensed innovative products are expected to enter a period of intensive regulatory submissions and approvals, further accelerating the conversion of R&D achievements into commercial value.

Looking ahead, with continuously strengthened R&D capabilities, increasingly robust product pipeline structure, rising efficiency in the transformation of innovation outcomes, and a mature commercialization system, the pharmaceutical segment is well positioned to deliver sustainable medium- to long-term growth. The Company has abundant future growth drivers and a clearly defined growth path. It is expected to steadily enter a high-quality development stage characterized by the concentrated realization of R&D achievements and the continuous release of its intrinsic values.

During the reporting period, the Pharmaceutical Services Division of Zhongmei Huadong, the core subsidiary of the Company, remained committed to the core principles of innovation, professionalism, and service excellence. Anchored in value-driven, efficiency-first, and academic-led operating criteria, it responded actively to policy reforms and the evolving competitive landscape in the market. Through deeper digital-marketing transformation, omni-channel deployment, and continued enhancement of its specialized pharmaceutical-services system, the Company achieved steady breakthroughs in the aspect of innovative drug commercialization, market coverage, brand influence, and organizational efficiency.

The Company further strengthened engagement with top-tier hospitals and key clinical departments, and leveraged professional academic promotion and evidence-based medicine to consolidate the market leadership of its established products. For key innovative drugs such as zevor-cel, Elahere[®], Sailexin[®], and Huiyoujing[®], the Company established dedicated commercialization teams and implemented medical-driven, expert-guided, and fast-access strategies, to efficiently promote hospital admission of new drugs, prescription penetration, and early sales ramp-up. In alignment with the tiered diagnosis and treatment policy in China, the Company expedited its channel penetration into lower-tier markets, and achieved full coverage across county-level hospitals, community health centers, and township clinics. Academic-promotion programs, pharmaceutical-care services, and co-construction initiatives enhanced clinical practice and awareness in primary care settings. As the Company simultaneously expanded the penetration of innovative and chronic-disease drugs into lower-tier markets, accessibility and market penetration were improved significantly. Out-of-hospital channels have thus emerged as a key growth engine. In the retail sector, the Company adopted an integrated online-offline model, placing equal emphasis on OTC and DTP channels. In the online channel, the Company deepened partnerships with mainstream e-commerce platforms, strengthened its own direct-to-consumer (DTC) channels,

enhanced the medication purchasing experience, enabled precise patient outreach and convenient delivery, and consequently achieved a continuously increasing share of online sales. Within the OTC segment, the Company has intensified brand promotion and patient education to enhance brand influence. As for DTP pharmacies, the Company focused on innovative drugs, featured drugs, and chronic disease management, and developed a distinctive service model featuring professional pharmacy, clinical pharmacists, and medication follow-up, thereby building a key platform for the out-of-hospital commercialization of innovative drugs. The Company adheres to an evidence-based and academically-driven development strategy, continuously invests in evidence-based medicine, real-world studies, and expansion of new indications to provide high-level evidence support for clinical applications. By strengthening collaboration between the medical and commercial teams, the Company has established a closed-loop system encompassing medical strategy, academic promotion, clinical feedback, and evidence iteration. Leveraging academic conferences, expert consensus statements and clinical guidelines, the Company continued to elevate the academic value and professional reputation of its products, and built core competitive barriers supported by robust academic capabilities.

During the reporting period, the sales of newly approved innovative drugs continued to exert strength, becoming one of the core drivers of sustained growth in the pharmaceutical industry. Since its launch, the CAR-T product Zevorcabtagene Autoleucel Injection (zevor-cel) has dominated the market, receiving excellent feedback on clinical safety and efficacy. In 2025, zevor-cel obtained certification and completed registration at medical institutions across more than 20 provinces and municipalities nationwide. The Company placed 218 valid orders with its partner, CARsgen Therapeutics. In parallel, the Company accelerated cooperation with national medical insurance authority and Huiminbao (a city-specific supplemental medical insurance program). Zevor-cel was successfully listed in the *Commercial Health Insurance Innovative Drug List*. As of the release date of this Report, over 100 commercial insurance and Huimin Bao programs have included zevor-cel for reimbursement, significantly alleviating the financial burden on patients. Looking ahead, zevor-cel is expected to maintain high-speed growth considering the continuous market expansion and increased coverage under regional Huiminbao programs and commercial insurance plans.

Following its inclusion in the updated National Reimbursement Drug List (NRDL), Huiyoujing® (Ganagliflozin Proline Tablets), the Category 1 innovative drug intended for diabetes, has seen the pharmaceutical service promotion team of Zhongmei Huadong make active efforts for hospital access. It is now listed in more than 1,900 tiered hospitals, laying a solid foundation for subsequent rapid market growth. Additionally, multiple national and regional large-scale clinical studies have been conducted, including real world studies (RWS) and various clinical studies on

complications/comorbidities in patients with type 2 diabetes mellitus (T2DM). In product promotion, effective synergy has been achieved by sharing resources with Metformin Hydrochloride and Empagliflozin Tablets (Enshuangping[®]), consolidating the Corporation's core competitiveness in the SGLT-2 inhibitor segment for diabetes.

Elahere[®] (Mirvetuximab Soravtansine Injection), recognized as the world's first and currently the sole FR α -targeted Antibody-Drug Conjugate (ADC) drug approved for the treatment of platinum-resistant ovarian cancer, was officially launched for commercial sale in China in November 2025. The Company is diligently and expeditiously advancing its market access endeavors. As of the end of Q1, Elahere[®] has been listed on procurement platforms in 29 provinces, prescribed in more than 200 hospitals, and made available across more than 400 medical institutions and over 200 DTP pharmacies. Currently, Elahere[®] has also been successfully incorporated in multiple Huiminbao (a city-specific supplemental medical insurance program) programs and commercial insurance programs, such as Beijing Inclusive Medical Insurance Program, Jiangxi Ganhuibao (inclusive commercial health insurance program), Leshan Huijiabao (city-customized insurance program), and Shaanxi Universal Health Insurance. Prior to its domestic commercial launch, Elahere[®] underwent pilot implementation in the Hainan Boao Lecheng Pilot Zone and conducted real-world studies for platinum-resistant ovarian cancer at Hainan Boao Ruijin Hospital. In August 2024, Elahere[®] was approved under the innovative "Hong Kong-Macao Drug and Device Access" policy and introduced in the Guangdong-Hong Kong-Macao Greater Bay Area, enabling patients to receive integrated diagnosis and treatment at designated hospitals in the Area. Since its official commercialization in Q4 2025, Elahere[®] generated annual sales of approximately RMB 68 million in 2025.

Senaparib Capsules (Paishuning[®]), a novel PARP inhibitor exclusively promoted by the Company, was approved for market launch in January 2025 and was successfully included in the *National Reimbursement Drug List for Basic Medical Insurance, Maternity Insurance, and Work Injury Insurance (2025)* in December 2025. To enhance market access and patient affordability, the Company has implemented multiple key initiatives: on the one hand, it has accelerated the listing of drugs on official procurement platforms and hospital access process. Currently, it has completed the layout of over 300 DTP pharmacies, covering more than 900 medical institutions, and built a multi-level drug supply network; on the other hand, the Company actively promotes the inclusion of the product in insurance programs. It has successfully incorporated the product into regional Huiminbao programs (e.g., West Lake Yilianbao (Hangzhou), Shanghai Huibao, Chonghuibao (Nanchong), Jiaxing Huiminbao, and CPIC-Shanghai Xiangbao) as well as other commercial insurance programs, thereby effectively alleviating the financial burden on patients. Since its launch,

market sales of this product have demonstrated sustained positive momentum, with steady growth observed in Q4 2025.

Since its approval and market launch in November 2024, the Corporation's Ustekinumab Injection, SAILEXIN[®], has demonstrated consistently excellent market performance. The pharmaceutical services team has deeply explored the product's outstanding advantages in terms of ease of use, drug safety, and accessibility under medical insurance reimbursement. By leveraging shared resources and close collaboration with the Corporation's existing autoimmune product line, it has established effective synergies. To date, over 2,000 hospitals have prescribed the product, with market sales gradually increasing. Through initiatives such as soliciting outstanding case studies, launching public welfare science popularization projects, organizing multi-level and multi-dimensional online and offline academic seminars, and conducting nationwide multi-center real-world studies (RWS), the Company has expanded the product influence and optimized the concept of clinical medication. SAILEXIN[®] is expected to become a new core product in the Corporation's autoimmune disease field. In 2025, Sailexin[®] achieved domestic sales (including VAT) of nearly RMB 300 million. Additionally, the marketing authorization application and post-approval change application for Sailexin[®] in Crohn's disease (CD) were accepted in February 2025, with approval expected in Q2 2026.

In the reporting period, the Company actively expanded its medical device sales and promotion team. In October 2025, the domestic marketing authorization application for the first-in-class innovative drug, Relmapirazin Injection (R&D code: MB-102), was officially approved. Its companion Transdermal GFR Measurement System (TGFR) had previously received approval in February 2025, marking the overall authorization of the world's first bedside renal function assessment product, MediBeacon[®] TGFR, suitable for patients with both normal and impaired renal function in the Chinese market. Currently, MediBeacon[®] TGFR has officially commenced commercial sales. To date, consumables of MediBeacon[®] TGFR have been listed in 25 provinces, while Relmapirazin Injection has been listed in 21 provinces.

During the reporting period, Huadong Medicine (Guizhou) Pharmaceutical Co., Ltd. (hereinafter referred to as "Guizhou Company") established a professional self-operated promotion team to vigorously advance the market access of its core product Shangkeling[®] in large and medium-sized hospitals and primary healthcare institutions, while continuously expanding the coverage of retail pharmacies and sales promotion reach. As of now, the product has reached more than 1,780 tiered hospitals, nearly 9,500 primary healthcare institutions, and over 120,000 retail pharmacies, forming a broad and scalable distribution network. Driven by the expanding channel footprint, Guizhou Company achieved rapid growth, generating RMB 249 million in operating

revenue during the reporting period (+200% YoY) and RMB 72 million in net profits (+400% YoY). Looking forward, Zhongmei Huadong will continue to advance coordinated development across tiered hospitals, primary healthcare institutions, and out-of-hospital markets, and systematically bolster the omni-channel marketing capabilities of its pharmaceutical team. By fully harnessing the distinctive advantages of Shangkeling[®]—a compound Miao ethnic medicine for topical application with "multi-effect" and "dual-channel" properties—the Company aims to fully tap into the market potential for both in-hospital and out-of-hospital utilization. Meanwhile, through concerted efforts such as compiling exemplary clinical cases, advancing research on drug mechanisms, and undertaking multiple national multi-center clinical research projects encompassing osteoarthritis, soft tissue injuries, fractures, eczema, herpes, burns, and scalds, the Company has amassed a wealth of evidence-based medical data for Shangkeling[®] and enhanced its penetration across various departments. Leveraging diversified scenario-based marketing strategies, including health runs and sponsorships of sports events, the Company has further elevated its brand influence, laying a robust foundation for the market promotion of its forthcoming topical product portfolio.

During the reporting period, the production system of Zhongmei Huadong remained closely aligned with the high-quality and high-efficiency development objectives, propelling the transformation of its production management system through the dual engines of system innovation and lean operations. By accelerating cost-reduction and efficiency-enhancement initiatives, strengthening refined cost control, and improving per-capita output efficiency, the Company continued to optimize its operational performance. Simultaneously, relying on artificial intelligence and digital technologies, the Company advanced the automation of workshops, unmanned distribution, electronic inspections, and the construction of systems such as LIMS, MES, and EQMS, expediting the intelligent transformation of its manufacturing model. Centered on ensuring stable production and supply, while improving quality and efficiency, the Company continued to consolidate lean management, optimize resource allocation and internal collaboration, and advance its second-phase transformation towards standardized, efficient, and intelligent manufacturing. These endeavors aimed to build a modern production system characterized by high efficiency, low cost, agile responsiveness, green and low-carbon operations. The Company fully implemented standardized factory construction, improved full-lifecycle management of procurement and suppliers, and standardized engineering project management. These measures significantly enhanced operational management, asset turnover, and lean manufacturing capabilities, enabling balanced allocation and stable supply of capacity, materials, labor, and equipment across multiple manufacturing sites and product lines.

In terms of quality control, the Company adhered to stringent compliance standards,

continuously deepened its group-wide and integrated quality management system, and improved full-process quality risk control and traceability mechanisms. As the Company diversified its business formats and rapidly expanded its innovative businesses, its quality system was extended to cover the entire industrial chain. It collaborated with R&D, production, supply chain, and new business sectors to establish and iteratively upgrade an integrated production quality and R&D quality management system. This reinforced quality assurance throughout the entire lifecycle, from R&D translation and commercial production to post-market stages, fully meeting the quality requirements for the Company's innovation transformation, expansion into new fields, and international development, thereby laying a solid foundation for sustainable development with a high-standard quality system.

The construction of the Area I of Huadong Medicine Bio-Innovation Intelligence Center was completed in June 2025. It was put into operation after equipment commissioning in December 2025. This area focuses on the commercial production of ADCs (antibody-drug conjugates), peptides, and antibody products, supported by international-standard QC laboratories, integrated warehousing facilities, and R&D infrastructure. It is designed to meet full-chain needs from clinical sample preparation to large-scale commercial manufacturing. The construction of Area II commenced in June 2025, with emphasis on critical auxiliary facilities such as hazardous chemical warehouses, Class A workshops, and environmental treatment systems, which are scheduled for completion and put into use by June 2026. Upon the overall completion of the project, a comprehensive biopharmaceutical industrialization platform covering R&D, production, and logistics will be formed to support the technology transformation of the Company's global innovation and R&D ecosystem. The Huadong Medicine Synthetic API Base Project (Xi'an Bodyguard) officially broke ground in June 2025. This project plans to build 3 intelligent production lines capable of manufacturing 20 types of high-end APIs for cardiovascular and cerebrovascular diseases and oncology indications. Designed in strict compliance with international standards, this project will further strengthen the Company's full-chain capacity layout in synthetic biology and create strategic synergies with the Bio-Innovation Intelligent Manufacturing Center. The smooth progress of this project marks a new milestone in the Company's industrialization capabilities for biologics and synthetic APIs. By establishing a dual-driven production system that integrates "Biopharmaceutical Manufacturing + Synthetic APIs", the Company is positioned to provide full-cycle capacity support—from clinical application to commercial stages—for its innovative drug pipeline (including key products like ADCs and GLP-1). To date, the main structures of multiple monomer buildings in this project have been completed.

During the reporting period, the Company invested RMB 2.982 billion in R&D for

pharmaceutical industry segment (excluding equity investments), up 11.36% year-on-year. Direct R&D expenses reached RMB 2.472 billion, up 39.64% year-on-year, accounting for 16.60% of operating revenues of pharmaceutical industry segment. The Company's Innovative Drug R&D Center is advancing the development of over 96 innovative drugs in its pipelines, with multiple positive results achieved in 2025, as detailed in Section "4. R&D Investment" below.

(II) Pharmaceutical distribution

In 2025, despite continued dual pressure from medical insurance cost containment measures and weakening terminal demand, the pharmaceutical distribution segment of the Company pursued a dual-market model across in-hospital and out-of-hospital channels, balancing business expansion with operational efficiency improvement. Through proactive internal restructuring and institutional reforms, the Company effectively mitigated external shocks and competitive pressures, delivering stable operational performance. Annual operating revenue reached RMB 28.697 billion, up 5.92% year on year, while net profit rose 5.16% YoY to RMB 479 million.

During the reporting period, the pharmaceutical distribution segment of the Company closely aligned with the strategic priorities set for the inaugural year of the eighth "Three-Year Plan," emphasizing "innovation and breakthroughs". Centered on three directions—"preserving existing business, promoting incremental growth, and improving labor efficiency"—the Company accelerated its transition from scale-driven expansion to value-oriented development. By providing upstream industrial customers with integrated services covering market access, government affairs, channel management, sales, and supply chain, the Company continued to deepen industrial synergy, built a value-sharing ecosystem, and laid a solid foundation for transforming into a "comprehensive pharmaceutical services provider", while further consolidating its core business. It also actively explored new businesses, markets, and models.

In the aspect of optimization of existing business, this segment prioritized enhancing professional service capabilities to reinforce the foundation of operational performance. In the aspect of in-hospital market, the Company expanded strategic partnership with tertiary hospitals, and delivered comprehensive solutions for pharmacy management optimization and refined supply chains to consolidate and increase distribution shares. Simultaneously, it expanded its coverage in secondary and primary medical institutions by optimizing personnel allocation and product portfolios to address market gaps. The Company accelerated the out-of-hospital market layout, prioritized the "quality enhancement" for its self-operated retail business, focused on hospital-collaborative pharmacies and DTP specialty pharmacies, and strengthened project evaluation and operational control to establish benchmarks for professional services. Newly established pharmaceuticals and international trade subsidiaries specialized in out-of-hospital and non-

pharmaceutical businesses respectively, and enhanced nationwide distribution capabilities and non-pharmaceutical product introduction efficiency. In terms of operations management, the Company emphasized key operational indicators such as operating cycles and accounts receivable, while improving per-capita efficiency and departmental performance evaluation. These initiatives pushed the transformation of traditional businesses towards refined and efficient operation.

In the aspect of development of growth businesses, the Company created new growth drivers by breaking traditional business boundaries. Product-agency operations, which focused on chemical drugs, blood products, and medical devices, have deepened the Company's presence in Zhejiang Province, while helping the Company progressively expand into other regions, with the aim of building a leading regional CSO brand. Third-party logistics capabilities, centered on cold chain, specialty drugs, and radiopharmaceuticals, continued to be enhanced, supporting the expansion of a national professional distribution network. Leveraging internal resources such as aesthetic medicines and industrial microbiology, the Company expanded into emerging fields like aesthetics and animal health. Supported by nationwide distribution of products such as recombinant botulinum toxin, the Company established national organizational structures, business models, and promotion systems, effectively advancing its strategy of "Going beyond Zhejiang".

In the aspect of management and capability building, the Company aligned organizational innovations with business development. It integrated medical device business to establish a dedicated Medical Device Division and set up specialized subsidiaries to undertake out-of-hospital and non-pharmaceutical business. The Company continuously advanced digital upgrades of information systems, and enabled integrated intelligent management across business, logistics, retail, and operations. It has initiated supply chain upgrades, and strengthened nationwide cold chain distribution capabilities to support national expansion. The human resources and financial systems deepened group-wide control centered on the principles of "improving labor efficiency, cost reduction, and expense control", and optimized resource allocation to establish a solid foundation for high-quality development.

(III) Aesthetic medicine business

The Company's aesthetic medicine business is anchored in core values of medical professionalism, leading-edge aesthetic concepts, and an innovation-driven development philosophy. In 2025, the aesthetic medicine segment of the Company experienced temporary operational pressure attributable to market cycle adjustments and intensifying competition in both domestic and international markets. During the reporting period, the total operating revenue of the Company's aesthetic medicine segment reached RMB 1.826 billion (excluding internal offsets), representing a 21.50% decline year on year.

Sinclair, the Company's wholly-owned subsidiary responsible for overseas aesthetic medicine operations, continued to proactively expand the global footprint of its aesthetic medicine injectable fillers and EBD products. During the reporting period, due to a combination of multiple factors—including sluggish global economic recovery, cyclical adjustments in the aesthetic medicine industry, and the strategic optimization of its overall business plan—Sinclair generated sales revenue of approximately RMB 958 million, showing a slight decline of 0.95% year on year. In response to industry cycle adjustments, the Company remained committed to its strategic vision of becoming a "global leader in aesthetic medicine". It proactively aligned with the trend toward flattened management among global multinational enterprises and implemented strategic optimizations across its organizational structure and workforce allocation for its global aesthetic medicine business. Through advancing management model upgrades, optimizing resource distribution, and streamlining operational layers, the Company continuously enhanced operational efficiency. These initiatives aimed to build a lean and efficient global operational system with sustained innovation capabilities, concentrating superior resources on breakthroughs in core business areas.

Although these forward-looking strategic adjustments exerted a certain impact on short-term operating performance, they represent necessary steps to strengthen the Company's core market competitiveness. As these strategic adjustments gradually take effect, the long-term, sustainable growth potential of the Company's aesthetic medicine business is expected to be steadily realized.

In China, the aesthetic medicine industry experienced continued adjustment in 2025 amid rapidly evolving consumer preferences and intensifying competitive dynamics. Coupled with factors such as slower-than-expected overall market recovery and fierce competition across terminal channels, these factors exerted a more pronounced impact on the Company's domestic aesthetic medicine business, resulting in a certain degree of pressure on revenue scale and profitability during the reporting period. Sinclair China achieved an annual operating revenue of RMB 780 million, down 31.50% YoY. Currently, the Chinese aesthetic medicine industry is entering a new stage of deep structural adjustment and a return to rational development. The Company will continue to strengthen internal strategic alignment, solidly brand building and market cultivation, and focus on developing differentiated core competitiveness in its products to avoid homogeneous and price competition. Relying on a diversified product matrix and integrated multi-product treatment solution, the Company precisely matched the diverse needs of aesthetic-treatment consumers, continuously improved the end-user experience, further consolidated its leading position in the domestic high-end injectable aesthetic medicine market, and continuously increased channel coverage in public hospitals and private chain institutions to steadily enhance its market share and

industry influence.

Despite cyclical industry fluctuations and external challenges, the Company remained firmly committed to increasing R&D investment, expanding its product pipeline, and continuously optimizing its global channel network and product portfolio. It also advanced clinical studies, regulatory registration, and certification processes in key markets with greater efficiency. With the scheduled successive launch and commercialization of multiple key new products in 2026, the Company's aesthetic medicine portfolio will be further enriched and improved, and its comprehensive competitiveness and market coverage capabilities are expected to continue to strengthen, driving the aesthetic medicine business to gradually emerge from the industry adjustment cycle and return to a trajectory of steady growth.

During the reporting period, with the Company's main brand at its core, Sinclair continued to strengthen the layout of its injectable product pipeline and advanced the coordinated development of its multiple sub-brands. The Company closely integrated global R&D resources, upheld its principle of professional medicine first, and further strengthened its professional influence among B-end aesthetic medicine institutions and brand awareness among C-end aesthetic-treatment consumers. It remained focused on shaping a brand identity centered on "innovation, professionalism, and aesthetics". The Company has now established a business pattern with dual channels spanning both public hospitals and private aesthetic medicine institutions, enabling it to better consumers' growing demands for diversified, professional, high-end, and personalized aesthetic solutions.

As of December 2025, the second-generation Ellansé[®] product family—Zhenyan[®], Jinyan[®], and Zhizhen[®]—had been adopted by nearly 500 aesthetic medicine institutions. These products received strong market feedback and reinforced their leading position within the PCL-based regenerative segment. To address differentiated channel needs and further expand market penetration, Sinclair launched the classic edition of Ellansé[®], which has gained access to multiple major public hospitals nationwide. It also initiated customized product development collaborations with strategic partners. In addition, MaiLi Extreme[®] (trade name: MaiLi[®] Extreme[®]), the premium lidocaine-containing sodium hyaluronate filler, which was officially launched in May 2025, has been adopted by over 100 partner institutions. Originating in Switzerland and powered by the first-in-class OxiFree[®] (oxygen-free) cross-linking technology, this product continues to gain steady market acceptance due to its advantages and effects of "lower dosage, better enhanced and dynamic shaping".

The Company's aesthetic medicine EBD business has further strengthened its presence at the terminal end, with multiple products widely recognized by institutions and aesthetic-treatment

consumers. By the end of 2025, more than 400 institutions had adopted Glacial[®] Spa, Reaction[®], and the new-generation Renotion[®], with institutional coverage doubling compared to 2024, further consolidating the competitive advantage of the Company's EBD product pipeline. The successful launch of Prême DermaFacial also enhanced the Company's footprint in aesthetics device solutions and supported the continued expansion of its channel business.

Throughout 2025, Sinclair conducted over 380 offline medical education and training sessions, engaging more than 6,000 physicians. Its online education platform recorded over 280,000 physician views. In addition, the Company published 21 academic papers, including 17 English-language papers indexed in SCI. As of December 31, 2025, Ellansé[®] had partnered with over 1,108 hospitals, trained and certified more than 2,400 physicians.

Against the backdrop of national policies vigorously promoting the standardized and regulated development of the aesthetic medicine industry, the aesthetic medicine market in public hospitals has entered a period of strategic opportunity for accelerated expansion. During the reporting period, the pharmaceutical service team of Zhongmei Huadong and the Sinclair medical team strengthened collaboration and jointly advanced the development of the aesthetic medicine market within public hospitals through a "dual-wheel drive" model. Clear market promotion strategies, delineated responsibility division, and well-defined market-entry pathways enabled more effective implementation. The pharmaceutical service team expedited the team building, product listing processes in hospitals, admission negotiations, and professional training programs. It assumed full responsibility for the promotion and implementation of injectable fillers and energy-based device (EBD) products in public hospitals. Focused on establishing a highly specialized public market promotion team, the Company has built a closed-loop ecosystem encompassing "product admission – clinical promotion – continuous service", thereby cultivating new growth drivers for its aesthetic medicine segment.

Currently, the public aesthetic medicine market has progressed steadily and delivered phased achievements in product admission, physician training, and ecological synergies. To date, Ellansé[®] has been admitted to dozens of large public hospitals in nine provinces across the country; the listing process for MaiLi[®] Extreme[®] on hospital formularies has progressed efficiently, with listing and price-adjustment procedures completed in 23 provinces. In collaboration with the pharmaceutical service team of Huadong Medicine, Sinclair has conducted more than 20 physician training sessions, covering nearly 500 physicians from public medical institutions. These efforts have laid a solid foundation for improving clinical technical capabilities, delivering high-quality aesthetic medical services, and enhancing the satisfaction of aesthetic-treatment consumers.

During the reporting period, the Company also continued to advance the overseas registration

of its aesthetic medicine portfolio, while actively implementing the registration and implementation of multiple core products in China. For information on the registration progress of the Company's key aesthetic medicine products at home and abroad, please refer to the subsections "(6) Registration and launching progress of domestic aesthetic medicine product" and "(7) Registration and launching progress of overseas aesthetic medicine product" under "4. R&D investment" below in this section.

国内医美已上市产品 (截至2026年4月)

华东医药
HUADONG MEDICINE

注射类

- 伊妍仕® 1.0**
注射用聚己内酯微球面部填充剂
- 伊妍仕® 2.0**
注射用聚己内酯微球面部填充剂
- 魅丽®朔盈®**
含利多卡因注射用交联透明质酸钠凝胶
- 芮妥欣®**
注射用重组A型肉毒毒素

光电类

- 芮颜琨®**
强脉冲光射频治疗仪
- 芮艾琨®**
射频治疗仪
- 酷雪®**
功能性肤色管理设备
- 璞芮美®**
多功能皮肤管理平台



Figure: Key Aesthetic Medicine Products Launched by Huadong Medicine

(IV) Industrial microbiology business

During the reporting period, the Company continued to advance the development strategy of its industrial microbiology business segment. Anchored in the steady execution of four strategic pillars—xRNA, featured APIs & intermediates, massive health & biomaterials, and animal health—the Company further strengthened its capabilities in product R&D and innovation, and market development both at home and abroad. The Company took acceleration of its global footprint and deep integration into the global pharmaceutical industry supply chain as its core task at the current stage, yielding notable progress in developing key customers domestically and internationally. After years of exploration and practice, the Company has embarked on a high-quality development path marked by both challenges and growth. All business units delivered improving performance during the reporting period, achieving growth against market trends. Total sales revenue reached RMB 777 million, representing a year-on-year increase of 9.34%. Both the xRNA and animal health segments recorded growth rates of approximately 50%. Major accomplishments across all fields are as

follows:

Featured APIs & intermediates segment (ADC toxins + polypeptide): Expanding international markets remained the central task of industrial microbiology at this stage. In the field of the featured APIs & intermediates segments, which integrates traditional and innovative product lines, the Company has completed the establishment of its ADC toxin innovation portfolio, with all major toxin variants having obtained U.S. DMF registrations. Additional DMF filings for new molecular entities are planned for 2026. Multiple CDMO contracts for ADC toxins have been executed, enabling the Company to provide global partners with small-molecule development services from early-stage research through clinical stages, as well as supporting services for regulatory submissions. Stable supply of linker-toxin products for both clinical and commercial use has been achieved. The Company has finalized its global strategy for polypeptide business. It is actively expanding its international market presence, advancing overseas licensing for finished preparations, and building an internationalized API supply system. Both polypeptide preparations and API businesses are expected to achieve scaled commercial sales over the next two years. The Company will continue to enhance international registration and market-access capabilities as a cornerstone of its globalization strategy, while steadily building a world-class biologics pipeline for metabolic diseases.

xRNA Segment: Leveraging Wuhu Huaren as its core platform for the xRNA segment, the Company has established a full-chain R&D and production system for upstream raw materials of oligonucleotide drugs and raw materials for in-vitro diagnostics. With an emphasis on differentiation and efficiency, the Company provides products and services to domestic and international pharmaceutical companies, CDMOs, and IVD enterprises. The Company has continuously increased its investment in innovation and R&D, by focusing on three major directions: raw materials for nucleic acid drug (phosphoramidite monomers), delivery systems (GalNAc), and specially modified custom monomers. It has obtained ISO9001, ISO14001, and ISO45001 certifications, strictly adhered to international standards of International Council for Harmonisation (ICH) and Good Manufacturing Practice (GMP) regulations to control product quality. It has completed 10 U.S. DMF registrations, and established collaborations with multiple multinational pharmaceutical companies, leading to rapid business growth during the reporting period.

Massive health & biomaterials: Focused on three core businesses—functional food ingredients, personal care raw materials, and biomaterials, In 2025, Magic Health launched six new products in the fields of bone health, brain health, and anti-aging, while maintaining effective operation of food quality systems such as ISO9001/KOSHER/GMP/FSSC22000. In terms of customer development

and new application expansion, the Company successfully forged partnerships with leading international health supplement enterprises and entered the domestic dairy product sector, establishing a new growth segment. Shengji Material, centered on its proprietary biodegradable materials, has built a matrix of high-end medical functional materials. Leveraging its pharmaceutical preparation technology platform, it has established a presence in CMC research and development and product incubation for biologics and aesthetic medicines. Two GMP-compliant manufacturing facilities for biodegradable materials and microspheres have been completed and put into operation. By collaborating with overseas universities and domestic/global pharmaceutical/aesthetic medicine companies on raw material supply and applied R&D for complex injectables, the Company aimed to build a globalized innovation-driven supply chain.

Animal health segment: Nanjing Nongda Animal Pharmaceutical has accelerated the construction of a professional brand system in the pet healthcare field, focusing on three core areas: perioperative care, chronic disease management, and deworming, while deepening its product pipeline layout. Adhering to a dual-track model of independent R&D and external collaboration, it has built a full-channel closed loop integrating "prescription therapeutics + nutritional supplements" and "offline hospitals + online e-commerce". In 2025, it entered a period of commercial harvest. One new veterinary drug registration certificate was obtained during the year, covering core therapeutic scenarios such as pain relief, chronic diseases, and deworming, and another 6 products were under registration review, with an emphasis on innovation and differentiation. Among them, Preptide Injection (a GLP-1/GIP dual-target long-acting agonist), the first Class 1 new veterinary drug independently developed by Huadong Medicine, represents a significant milestone in the Company's R&D of innovative veterinary drugs. Indicated for weight management in obese adult cats, the product's marketing registration application has been accepted by the Ministry of Agriculture and Rural Affairs, filling the gap in targeted drugs for feline obesity. This product offers clear scientific value and strong market exclusivity, positioning itself in the blue ocean market of pet weight-loss drugs. In terms of marketing channel development, the offline business segment relies on the exclusive commercialization of Butorphanol Tartrate Injection (Boshining®)—China's first domestically developed opioid central analgesic for pets, targeting moderate-to-severe surgical or traumatic pain. The Company continued to deepen collaborations with KOLs in major veterinary hospital chains and strengthened the establishment of benchmark hospitals in key cities, further expanding perioperative and pain-management application scenarios. By the end of 2025, its offline network covered more than 8,000 veterinary hospitals nationwide. Online business remained centered on end-user needs, with deworming and nutritional supplement products as its core offerings. The Company successfully built its proprietary brands "Mengdi" and "JNN" and

completed channel deployment on mainstream e-commerce platforms such as Tmall, Douyin, and Pinduoduo. Synergies between online and offline channels continued to reinforce its professional brand influence and overall market competitiveness.

II. BD collaboration during the reporting period

On August 8, 2025, the exclusive commercialization cooperation agreement for VC005 between Huadong Medicine (Hangzhou) Co., Ltd. (hereinafter referred to as "Huadong Medicine Hangzhou"), a wholly-owned subsidiary of the Company, and Jiangsu Vcare PharmaTech Co., Ltd. (hereinafter referred to as "Jiangsu Vcare"), officially came into effect. Huadong Medicine Hangzhou has obtained the exclusive commercialization rights for the oral formulation of VC005 from Jiangsu Vcare in Chinese mainland. For further details, please refer to the Company's announcement titled *Announcement on the Signing of an Exclusive Commercialization Cooperation Agreement for Products by a Wholly-Owned Subsidiary* (Announcement No.: 2025-078), published on CNINFO (<http://www.cninfo.com.cn>).

To further strengthen the Company's industrial investment ecosystem, expand its industrial chain layout, leverage the expertise and resource advantages of professional institutions, integrate resources from all parties, and enhance its core competitiveness, the Company, as a limited partner, jointly signed the *Partnership Agreement with Hangzhou Fuguang Hongze Equity Investment Partnership (Limited Partnership)* on August 18, 2025, together with the general partner, executive partner, and fund manager Shanghai Fuguang Private Equity Management Co., Ltd., and limited partners Hangzhou Industrial Investment Co., Ltd. and Hangzhou Gongshu Industrial Fund Co., Ltd., to jointly establish the Hangzhou Fuguang Hongze Equity Investment Partnership (Limited Partnership) (hereinafter referred to as the "Special Pharmaceutical Industry Investment Fund"). The total committed capital of the Special Pharmaceutical Industry Investment Fund is RMB 2 billion, of which the Company, as a limited partner, has committed RMB 980 million of own funds, representing a 49.00% share of the total committed capital. For detailed information, please refer to the Company's announcement titled *Announcement on Joint Investment with Professional Investment Institutions to Establish a Special Pharmaceutical Industry Investment Fund and Related Party Transaction* (Announcement No.: 2025-083), published on CNINFO (<http://www.cninfo.com.cn>).

As of September 22, 2025, the Special Pharmaceutical Industry Investment Fund has completed its business registration and filing with the Asset Management Association of China, and the first tranche of capital has been successfully raised. For detailed information, please refer to the Company's announcement titled *Progress Announcement on Joint Investment with Professional*

Investment Institutions to Establish a Special Pharmaceutical Industry Investment Fund and Related Party Transaction (Announcement No.: 2025-087), published on CNINFO (<http://www.cninfo.com.cn>). To date, the Special Pharmaceutical Industry Investment Fund has completed five rounds of capital raising and has signed investment agreements for multiple projects, with target companies covering fields such as innovative drugs, cell therapy, and medical devices.

On October 9, 2025, Huadong Medicine Hangzhou, a wholly-owned subsidiary of the Company, announced that it had entered into an exclusive commercialization cooperation agreement with Hangzhou Chance Pharmaceuticals Co., Ltd. (hereinafter referred to as "Chance Pharmaceutical") in Chinese mainland for Chance Pharmaceutical's product CXG87 (improved Budesonide and Formoterol powder for inhalation). CXG87 is a Class 2.2 new drug independently developed by Chance Pharmaceuticals, intended for the treatment of asthma and other respiratory diseases. In accordance with the terms and conditions of the agreement, Chance Pharmaceuticals, acting as the Marketing Authorization Holder (MAH), is responsible for the R&D, registration, manufacturing, and supply of CXG87, while Huadong Medicine is responsible for the commercialization and promotion of CXG87 in the Chinese mainland.

On December 7, 2025, Huadong Medicine (Hangzhou) Co., Ltd., a wholly-owned subsidiary of the Company, announced that it had entered into an exclusive commercialization cooperation agreement with Guizhou Sinorda Pharmaceutical Co., Ltd. and its wholly-owned subsidiaries—Shanghai Sinorda Pharmaceutical Co., Ltd. and Jiangsu Tairui Sinorda Biopharmaceutical Co., Ltd. (collectively, "Sinorda Pharmaceutical")—for the commercialization of and other dosage forms in the Chinese mainland. Linaprazan Glurate Capsules, a next-generation potassium-competitive acid blocker, was jointly developed by Sinorda Pharmaceutical and Cinclus Pharma for the treatment of gastrointestinal disorders. Currently, this drug has been approved in China for the indication of reflux esophagitis and has been successfully included in the 2025 National Reimbursement Drug List. Under the terms and conditions of the agreement, Sinorda Pharmaceutical, acting as the MAH, will oversee the R&D, registration, production, and supply of Linaprazan Glurate, while Huadong Medicine will be responsible for its commercialization and promotion in the Chinese mainland.

III. ESG of the Company during the reporting period

With regard to ESG, the Company maintained an unwavering commitment to sustainable development. A Sustainability (ESG) Committee has been established under the Board of Directors to oversee ESG-related matters. The Company integrates the core ESG principles into corporate development strategy and daily operations management, guiding and innovating business practices with a science-based approach to social responsibility. It upholds the idea of green manufacturing,

actively supports China's "carbon neutrality and carbon peaking" goals, operates in strict compliance with laws and regulations with integrity, and actively fulfills its social responsibilities. During the reporting period, the Company demonstrated outstanding ESG capabilities, leading to a notable upgrade in its ESG rating by WIND from A to AA. Additionally, the Company currently holds a AAA rating under CNI ESG system of the Shenzhen Stock Exchange, an A rating under the CSC ESG system, and an A rating under the China Securities ESG framework. Moreover, it has been honored with several prestigious awards, including the "Best Practice Case for Sustainable Development among Listed Companies in 2025" by the China Association for Public Companies, the "ESG Best Practice" award from *New Fortune* magazine in 2024, the "2025 Biopharmaceutical Sustainable Value Leadership Award" and the "2025 Top 20 ESG Competitiveness among Chinese Pharmaceutical Listed Companies (Large-Cap Stocks)" from E-Pharmaceutical Manager.

IV. Awards during the reporting period

During the reporting period, the Company's comprehensive competitive strength, efficient operation and governance, and value creation capabilities gained significant market recognition, as evidenced by a number of prestigious awards and honors. The Company has been included in the *Fortune's* Top 500 Chinese Companies for the sixteenth consecutive year and has been ranked among the top 50 global pharmaceutical companies by *Pharmaceutical Executive* magazine in the United States. It has also received accolades such as the "2025 Top 500 Private Enterprises in China" and the "2025 Top 500 Pharmaceutical Enterprises in China" awarded by the All-China Federation of Industry and Commerce, the "Best Listed Company" title awarded by *New Fortune* magazine in 2024, the "Top 100 Mainboard Listed Companies by Value" in the 19th China Listed Company Value Selection, and the "Most Investment-Worthy Award" in the 27th Listed Company Golden Bull Awards. In terms of investor relations management, the Company has been honored with the "2025 Best Practice Award for Board Offices of Listed Company" by the China Association for Public Companies, the "Investor Relations Management Prize" in the 16th Tianma Awards, and the "Top 10 Zhejiang Listed Companies (Shenzhen and Shanghai A-Shares) Most Favored by Institutions" by Securities Times.

2. Income and cost

(1) Composition of operating revenue

Unit: RMB

	2025	2024	Year-on-year

	Amount	Proportion to operating revenue	Amount	Proportion to operating revenue	increase/decrease
Total operating revenue	43,612,009,891.02	100%	41,905,707,385.91	100%	4.07%
By industries					
Commerce	29,449,035,991.19	67.53%	28,470,546,280.59	67.94%	3.44%
Manufacturing	15,846,613,196.31	36.34%	15,778,029,869.34	37.65%	0.43%
Incl.: industry	14,783,948,709.90	33.90%	13,752,704,745.06	32.82%	7.50%
Medical aesthetics business	1,826,005,939.49	4.19%	2,326,195,010.66	5.55%	-21.50%
Incl.: international medical aesthetics business	958,213,356.68	2.20%	967,371,493.22	2.31%	-0.95%
Medical aesthetics business in China [Note]	1,057,512,017.22	2.42%	1,481,177,976.86	3.53%	-28.60%
Offset (inter-sectoral offset)	-1,683,639,296.48		-2,342,868,764.02		
By products					
By regions					
Sales in China	42,486,903,712.40	97.42%	40,811,001,140.88	97.39%	4.11%
Overseas sales	1,125,106,178.62	2.58%	1,094,706,245.03	2.61%	2.78%
By sales mode					

[Note] The medical aesthetics business in China includes revenue from self-operated aesthetic medicine products, revenue from aesthetic medicine products distributed by the Company's pharmaceutical commercial agency, and revenue from proprietary OTC weight-loss products.

(2) Operating revenue or operating profit that accounts for more than 10% of the total by industries, products, regions and sales modes

Applicable Not applicable

Unit: RMB

	Operating revenue	Operating cost	Gross profit margin	Year-on-year change in operating revenue	Year-on-year change in operating cost	Year-on-year change in gross profit margin
By industries						
Commerce	29,449,035,991.19	27,291,087,507.51	7.33%	3.44%	3.41%	0.03%
Manufacturing	15,846,613,196.31	3,649,030,115.03	76.97%	0.43%	-7.86%	2.07%
By products						
By regions						
Sales in China	42,486,903,712.40	28,979,186,886.73	31.79%	4.11%	5.27%	-0.75%
Overseas sales	1,125,106,178.62	520,292,564.29	53.76%	2.78%	13.00%	-4.18%

By sales mode

If the statistical method of the Company's main business data has been adjusted during the reporting period, the Company's main business data for the most recent year shall be adjusted according to the method at the end of the reporting period

Applicable Not applicable

(3) Whether the Company's revenue from in-kind sales exceeds that from labor services

Yes No

Reasons for over 30% year-on-year increase/decrease in related data

Applicable Not applicable

(4) Fulfillment of major sales contracts and major procurement contracts signed by the Company as of the reporting period

Applicable Not applicable

(5) Composition of operating costs

Sector classification

Sector classification

Unit: RMB

Sector classification	Item	2025		2024		Year-on-year increase/decrease
		Amount	Proportion in operating cost	Amount	Proportion in operating cost	
Commerce	Operating cost	27,291,087,507.51	92.51%	26,391,902,389.84	94.30%	3.41%
Manufacturing	Operating cost	3,649,030,115.03	12.37%	3,960,294,879.25	14.15%	-7.86%

Description

Not applicable.

(6) Whether the scope of consolidation has been changed during the reporting period

Yes No

For details, please refer to "IX. Changes in the consolidation scope" under "Section VIII. Financial Reports".

(7) Significant changes or adjustments to the Company's business, products, or services during the reporting period

Applicable Not applicable

(8) Major customers and major suppliers

Information of the Company's major customers

Total sales amount from the top five customers (RMB)	9,891,034,152.44
Proportion of the total sales amount of the top five customers in the total annual sales amount	22.68%

Proportion of related parties' sales amount of the top five customers' sales amount in the total annual sales amount	0.00%
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Information of the Company's top 5 customers

No.	Customer name	Sales amount (RMB)	Proportion in total annual sales amount
1	Customer A1	3,854,833,157.95	8.84%
2	Customer A2	2,106,985,093.04	4.83%
3	Customer A3	1,868,199,035.19	4.28%
4	Customer A10	1,268,766,268.88	2.91%
5	Customer A11	792,250,597.38	1.82%
Total	--	9,891,034,152.44	22.68%

Other information of major customers

Applicable Not applicable

Information on the Company's major suppliers

Total purchase amount from the top five suppliers (RMB)	5,316,753,137.12
Proportion of the total purchase amount of the top five suppliers in the total annual purchase amount	18.02%
Proportion of related parties' purchase amount of the top five suppliers' purchase amount in the total annual purchase amount.	0.00%

Information of the Company's top five suppliers

No.	Supplier name	Procurement amount (RMB)	Proportion in the total annual purchase amount
1	Supplier B6	1,902,117,852.86	6.45%
2	Supplier B7	998,329,179.60	3.38%
3	Supplier B8	884,475,397.84	3.00%
4	Supplier B9	766,414,040.52	2.60%
5	Supplier B10	765,416,666.30	2.59%
Total	--	5,316,753,137.12	18.02%

Other information of major suppliers

Applicable Not applicable

During the reporting period, the Company's trade business revenue accounted for more than 10% of its total operating revenue.

Applicable Not applicable

3. Expenses

Unit: RMB

	2025	2024	Year-on-year increase/decrease	Description of significant changes
Selling expenses	6,526,826,370.64	6,408,522,136.28	1.85%	
Management expenses	1,344,109,556.03	1,397,388,188.96	-3.81%	
Financial expenses	18,773,120.98	22,264,685.91	-15.68%	
R&D expenses	1,753,147,744.43	1,425,659,218.47	22.97%	Primarily attributable to increased investment in research and

				development
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4. R&D input

Applicable Not applicable

(1) R&D overview

During the reporting period, adhering to the "Scientific Research-based and Patient-centered" corporate philosophy, the Company has deepened its expertise in the fields of endocrinology, autoimmunity and oncology. Through sustained increase in the R&D investment and expansion of innovative drug R&D pipelines, it has strengthened the innovative R&D ecosystem and technological platforms, while accelerating clinical studies, with multiple significant milestone achievements made. As of the release date of this Report, the Company's Innovative Drug R&D Center is advancing 96 projects for innovative drug pipeline. Over the past 5 years, the Company has submitted more than 150 patent applications for innovative drugs, with 29 patents granted to date. During the reporting period, the Company invested RMB 2.982 billion in R&D for pharmaceutical industry segment (excluding equity investments), up 11.36% year-on-year. Direct R&D expenses reached RMB 2.472 billion, up 39.64% year-on-year, accounting for 16.60% of operating revenues of pharmaceutical industry segment.

(2) Key progress in innovation and R&D

Oncology

The post-approval change application to convert the conditional approval of Mirvetuximab Soravtansine Injection (Elahere[®], R&D code: IMGN853, HDM2002) to regular approval was accepted in March 2025. Regular approval was granted for market launch in November 2025.

The NDA for the Company's Class 1 new drug, Mairuidong[®] (Mifanertinib Maleate Tablets), was approved in October 2025 for the first-line treatment of adult patients with locally advanced or metastatic non-small cell lung cancer (NSCLC) harboring epidermal growth factor receptor (EGFR) exon 21 (L858R) substitution mutations.

The Company's self-developed ADC drug pipeline has established a differentiated target layout and a gradient pipeline layout. Current key advancing projects include HDM2005, HDM2020, HDM2012, HDM2017, and HDM2024.

Among these projects, HDM2005, a ROR1-targeting ADC, remained in the global first echelon of ROR1 ADC clinical development. Three clinical studies are currently underway in China: A Phase I clinical study of monotherapy for advanced hematologic malignancies (mantle cell

lymphoma (MCL), diffuse large B-cell lymphoma (DLBCL), classical Hodgkin lymphoma (cHL)), which has completed Phase Ia monotherapy dose escalation and is conducting dose expansion studies for MCL and cHL; A Phase I clinical study of monotherapy for advanced solid tumors, which administered the first dose to a subject in May 2025, has enrolled 17 subjects, and is conducting dose expansion at 2.5 mg/kg; and a Phase Ib & II clinical study of combination therapy for DLBCL subjects, which enrolled the first subject in September 2025, and is currently conducting combination therapy dose escalation. In addition, the Company has submitted communication and meeting requests to the CDE, respectively, for combination therapy in MCL and cHL.

HDM2020, an FGFR2b-targeting ADC, received IND approvals in China and the United States in June and July 2025, respectively. Its monotherapy dose escalation clinical study has progressed to the fourth dose cohort, and a Phase Ia study for lung squamous cell carcinoma has been officially commenced with subject screening in progress. In February 2026, HDM2020 was granted orphan drug designation (ODD) by the U.S. FDA for gastric cancer (including gastroesophageal junction cancer).

HDM2012, a MUC17-targeting ADC, received IND approvals in China and the United States in July and June 2025, respectively. The first subject administration in a Phase I trial for advanced solid tumors was completed in August 2025. As the first MUC17 ADC to enter clinical development globally, it has now progressed to the fourth dose cohort. In December 2025, HDM2012 received ODD from the U.S. FDA for two indications: gastric cancer (including gastroesophageal junction cancer) and pancreatic cancer.

HDM2017, a CDH17-targeting ADC, received IND approvals in both the United States and China in September 2025, and Phase I clinical studies were initiated concurrently in China and Australia. The monotherapy Phase Ia trial in China has progressed to the fourth dose cohort, with dose expansion at 3.2 mg/kg underway. The first study site in Australia was activated in February 2026 and is conducting subject screening. In addition, in March 2026, HDM2017 received ODD from the U.S. FDA for three indications: biliary tract cancer, gastric cancer, and pancreatic cancer.

HDM2024, an EGFR/HER3-targeting bispecific ADC, received IND approvals in the United States and China in March 2026 for the treatment of advanced solid tumors. The first subject administration in a Phase I clinical study in China was completed in April 2026.

HDP-101 (HDM2027), a BCMA-targeting amanitin ADC, enrolled its first patient in China in March 2026 for the treatment of plasma-cell disorders, including multiple myeloma. Furthermore, HDP-101 (HDM2027) was granted Fast Track Designation by the U.S. FDA in October 2025.

The small-molecule antineoplastic agent HPK-1 PROTAC (hematopoietic progenitor kinase 1 proteolysis-targeting chimera), HDM2006 tablets, is currently undergoing a Phase I clinical study in China for the treatment of advanced solid tumors, with enrollment for the third dose cohort underway.

DR30206 Injection, a proprietary triple-target PD-L1/VEGF/TGF- β antibody fusion protein that is developed by Doer Biologics, a controlled subsidiary of the Company, continued to lead global R&D progress for this target class. In April 2025, the first subject was successfully dosed in the Phase Ib clinical study evaluating DR30206 as a first-line therapy for NSCLC. The dose escalation study is nearing completion, showing overall good efficacy. Combination-therapy studies are progressing as planned. The Phase Ib/IIa study evaluating DR30206 in combination with standard chemotherapy for advanced or metastatic gastrointestinal tumors achieved the administration to the first subject in June 2025. In November 2025, the DR30206 was administered to the first subject in the monotherapy expansion cohort for head and neck squamous cell carcinoma (HNSCC) during its Phase Ib trial. In January 2026, the DR30206 was administered to the first subject in the monotherapy expansion cohort for platinum-resistant ovarian cancer during its Phase Ib trial. In March 2026, DR30206 received IND approval in China for its combination with standard chemotherapy in patients with locally advanced or metastatic non-small cell lung cancer.

Endocrinology

The oral small-molecule GLP-1 receptor agonist HDM1002 (conveglipron) has now completed enrollment of all subjects for its Phase III clinical study in China for the weight management indication. The study is currently in the treatment follow-up and data collection phase. The NDA application is expected to be submitted in Q4 2026. Both Phase III clinical studies for the type 2 diabetes mellitus indication of this product have completed full enrollment. Pre-NDA application is expected to be submitted in Q4 2026.

The HDM1005 (poterepatide) Injection, a GLP-1R/GIPR long-acting polypeptide dual-target agonist, enrolled all subjects in the Phase III clinical study for the weight management indication in November 2025. Top-line results for the Phase II clinical study for diabetes were obtained in February 2026. The first subjects have been enrolled in both Phase III studies for diabetes. Two Phase III studies for the obstructive sleep apnea hypopnea syndrome (OSAS) indication are currently in preparation.

DR10624, a first-in-class triple agonist (FGF21R/GCGR/GLP-1R) developed by Doer Biologics, the controlling subsidiary of the Company, has successfully completed a Phase II clinical study for severe hypertriglyceridemia. The study results were selected as the Late-Breaking Science for the 2025 American Heart Association Scientific Sessions (AHA Scientific Sessions 2025) and

were featured as the opening session presentation on the main stage of the AHA 2025 main venue, held in November 2025. Preparations are currently underway for the Phase III clinical study targeting the indication of severe hypertriglyceridemia. Furthermore, the IND application for severe hypertriglyceridemia in the U.S. received approval in October 2025. In January 2026, DR10624 was included in the Breakthrough Therapy Designation by the CDE for severe hypertriglyceridemia. The Phase II clinical study targeting patients with metabolic dysfunction-associated steatotic liver disease with high risk of liver fibrosis is currently being conducted concurrently. Top-line results are expected to be obtained in Q3 2026.

HDM1014 injection, which is the GalNAc-siRNA weight-loss drug self-developed by the Company, is undergoing IND development work. It is expected to submit IND application in China in Q4 2026.

The IND application for HDM1010 tablets (a fixed-dose oral combination formulation of HDM1002) for the treatment of type 2 diabetes mellitus was approved by the U.S. FDA in June 2025, and clinical study preparations are currently underway.

The NDA for the diabetes indication of Semaglutide Injection was submitted and accepted in March 2025 and successfully passed clinical inspection; the NDA for the weight management indication was accepted in April 2026.

The NDA for Insulin Degludec Injection was submitted and accepted in February 2025; the on-site inspection has been completed, and the application is currently under technical review.

The top-line results for the Phase III clinical study of Insulin Degludec and Insulin Aspart Injection were obtained in September 2025, and a Pre-NDA communication application was submitted in November 2025. It is expected to submit NDA in Q2 2026.

Autoimmunity

The supplemental application of HDM3001 (QX001S), a biosimilar of Ustekinumab developed in collaboration between the Company and Qyuns Therapeutics, for the new pediatric plaque psoriasis indication, was approved in March 2025. The marketing authorization application and supplemental application for the Crohn's disease indication were accepted in February 2025, with approval expected in Q2 2026.

The Phase III clinical studies for the innovative drug Otuorkibart (R&D code: HDM3016/QX005N), which was developed by the Company in collaboration with Qyuns Therapeutics for the treatment of prurigo nodularis (PN) and atopic dermatitis (AD) have reached their primary endpoints. The NDAs for the PN and AD indications are expected to be submitted in the first and second halves of 2026, respectively.

The Chinese NDA applications for HDM3014 (Roflumilast Cream), developed in collaboration with U.S. Arcutis, for two indications—plaque psoriasis in patients aged 6 years and older and atopic dermatitis in patients aged 6 years and older—were submitted in October and November 2025, respectively. Both applications have passed the clinical on-site inspection by the National Medical Products Administration. In addition, the Chinese NDA application for Roflumilast Cream for atopic dermatitis indication in patients aged 2 to 5 was accepted in February 2026.

The Phase I/II clinical study for the treatment of prurigo nodularis with Ruxolitinib Gel (HDM3010), which is a modified new drug developed by the Company, has generated top-line data. A Pre-Phase III communication application was submitted in September 2025. Feedback has been received from the CDE, and subsequent study preparations are progressing in accordance with the CDE feedback. In addition, a Phase III clinical study in vitiligo is currently ongoing.

The MC2-01 Cream, developed in collaboration between the Company and MC2 Therapeutics, received approval in July 2025 to initiate a Phase III clinical study in China for plaque psoriasis. To date, more than 120 subjects have been enrolled.

HDM4002 Injection, the first-in-class bispecific antibody candidate independently developed by the Company, is currently under IND-enabling development. It is anticipated that IND applications will be submitted in China and the US in the second half of 2026.

Other segments

The Transcutaneous Glomerular Filtration Rate (TGFR) Measurement Equipment, an innovative Class III medical device, received marketing approval from the National Medical Products Administration (NMPA) in February 2025. The domestic NDA for Relmapirazin Injection (R&D code: MB-102)—a first-in-class innovative drug used in combination with this device—was subsequently approved in October 2025.

The NDA for Ranibizumab Injection was submitted and accepted in May 2025. Subsequently, the on-site inspection has been completed for the production. Ranibizumab Injection has successfully passed the clinical on-site inspection conducted by the National Medical Products Administration.

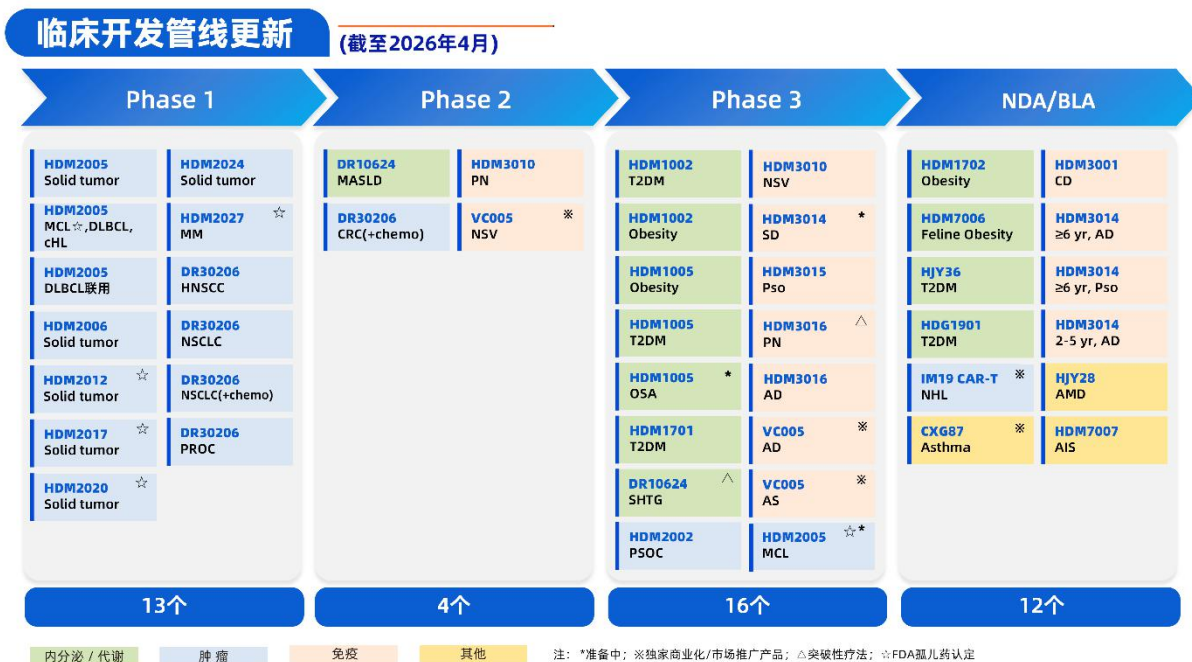


Figure: Pipeline of Major Innovative Products

Major regulatory milestones in pharmaceutical innovation since 2025 (innovative drugs, medical devices and biosimilars)

From the beginning of 2025 to the disclosure date of this Report, the Company's products have obtained a total of 6 marketing approvals. During the same period, 12 NDAs were accepted (including one veterinary drug), 26 Investigational New Drug (IND) approvals were granted, and its products received 6 U.S. orphan drug designations and 1 Chinese Breakthrough Therapy designation. For details, see the table below:

Type	Item	Category	China Registration Class	Milestone Event
Marketing approval	Paishuning®(Senaparib Capsules)	Innovative drug	Class 1 chemical drug	NDA obtained in China in January 2025
	Transdermal GFR Measurement System	Innovative medical device	Class 3 medical device	NDA obtained in China in February 2025
	SAILEXIN® (Ustekinumab Injection)	Biosimilar	Class 3.3 therapeutic biological product	Supplemental application for the new pediatric indication of plaque psoriasis was approved in China in March 2025
	Relmapirazin Injection	Innovative drug	Class 1 chemical drug	NDA obtained in China in October 2025
	Mairuidong® (Mifanertinib Maleate Tablets)	Innovative drug	Class 1 chemical drug	NDA obtained in China in October 2025
	Elahere® (Mirvetuximab Soravtansine Injection)	Innovative drug	Class 3.1 therapeutic biological product	The post-approval change application, converted from conditional to standard approval, was approved in November 2025

NDA acceptance	SAILEXIN® (Ustekinumab Injection) and Ustekinumab Injection (intravenous infusion)	Biosimilar	Class 3.3 therapeutic biological product	Marketing authorization application and supplemental application for Crohn's disease were accepted in February 2025
	Insulin Degludec Injection	Biosimilar	Class 3.3 therapeutic biological product	NDA accepted in February 2025
	Semaglutide Injection	Biosimilar	Class 3.3 therapeutic biological product	NDA for diabetes indication was accepted in March 2025
	Ranibizumab Injection	Biosimilar	Class 3.3 therapeutic biological product	NDA accepted in May 2025
	Edaravone Tablets	Modified new drug	Class 2.2 chemical drug	NDA accepted in July 2025
	0.3% Roflumilast Cream	Innovative drug	Class 5.1 chemical drug	NDA accepted in October 2025
	0.15% Roflumilast Cream	Innovative drug	Class 5.1 chemical drug	NDA accepted in November 2025
	Preoptide Injection	Veterinary drug	Class 1 new veterinary drug	NDA accepted in December 2025
	SAILEXIN® (Ustekinumab Injection)	Biosimilar	Class 3.3 therapeutic biological product	Post-approval change application for new strengths of Crohn's disease was accepted in January 2026
	0.05% Roflumilast Cream	Innovative drug	Class 5.1 chemical drug	NDA was accepted in February 2026
	Semaglutide Injection	Biosimilar	Class 3.3 therapeutic biological product	NDA for weight management indication was accepted in April 2026
	Budesonide and Formoterol Fumarate Powder for Inhalation (IV), capsule type	Modified new drug	Class 2.2 chemical drug	NDA accepted in April 2026
IND approved	HDM2006	Innovative drug	Class 1 chemical drug	The IND for advanced malignancies was approved in the U.S. in January 2025
	HDM1005	Innovative drug	Class 1 chemical drug	The IND for OSA in patients with obesity or overweight was approved in China in February 2025
	DR10624	Innovative drug	Class 1 therapeutic biological product	CTA for MASLD was approved in Hong Kong in February 2025
	HDM1005	Innovative drug	Class 1 chemical drug	The IND for HFpEF in patients with obesity or overweight was approved in China in March 2025
	HDM3019	Innovative drug	Class 1 therapeutic biological product	The IND for rheumatoid arthritis was approved in China in March 2025
	DR30206	Innovative drug	Class 1 therapeutic biological product	The IND for combination standard chemotherapy in patients with advanced or metastatic gastrointestinal tumors was approved in China in April 2025

HDM7008	Innovative drug	Class 1 chemical drug	The IND for hypertension was approved in China in April 2025
HDM2005	Innovative drug	Class 1 therapeutic biological product	The IND for R-CHP combination therapy in patients with DLBCL was approved in China in May 2025
HDM1010	Innovative drug	Class 1 chemical drug	The IND for diabetes was approved in the U.S. in June 2025
0.3% roflumilast topical foam	Innovative drug	Class 5.1 chemical drug	The IND for seborrhoeic dermatitis was approved in China in June 2025
HDM2020	Innovative drug	Class 1 therapeutic biological product	The IND for advanced solid tumors was approved in China in June 2025
HDM2012	Innovative drug	Class 1 therapeutic biological product	The IND for advanced solid tumors was approved in the U.S. in June 2025
HDM2020	Innovative drug	Class 1 therapeutic biological product	The IND for advanced solid tumors was approved in the U.S. in July 2025
HDM2012	Innovative drug	Class 1 therapeutic biological product	The IND for advanced solid tumors was approved in China in July 2025
HDM1002	Innovative drug	Class 1 chemical drug	The IND for weight management was approved in the U.S. in July 2025
MC2-01 Cream	Innovative drug	Class 5.1 chemical drug	The IND for plaque psoriasis was approved in China in July 2025
HDM2017	Innovative drug	Class 1 therapeutic biological product	The IND for advanced malignant solid tumors was approved in the U.S. in September 2025
HDM2017	Innovative drug	Class 1 therapeutic biological product	The IND for advanced malignant solid tumors was approved in China in September 2025
DR10624	Innovative drug	Class 1 therapeutic biological product	The IND for severe hypertriglyceridemia was approved in the U.S. in October 2025
HDM2017	Innovative drug	Class 1 therapeutic biological product	The clinical CTN filing was approved in Australia in December 2025
DR10624	Innovative drug	Class 1 therapeutic biological product	The IND for metabolic dysfunction-associated steatotic liver disease was approved in the U.S. in January 2026
HDM2005	Innovative drug	Class 1 therapeutic biological product	The IND for the combination therapy with Rituximab and Lenalidomide for the treatment of relapsed/refractory mantle cell lymphoma was approved in China in January 2026
DR10624	Innovative drug	Class 1 therapeutic biological product	IND for hypertriglyceridemia approved in China in February 2026

	DR30206	Innovative drug	Class 1 therapeutic biological product	The IND for combination with standard chemotherapy in locally advanced or metastatic non-small cell lung cancer patients was approved in China in February 2026
	HDM2024	Innovative drug	Class 1 therapeutic biological product	The IND for advanced malignant solid tumors was approved in China in March 2026
	HDM2024	Innovative drug	Class 1 therapeutic biological product	The IND for advanced malignant solid tumors was approved in the U.S. in March 2026
Orphan drug designation	HDM2012	Innovative drug	Class 1 therapeutic biological product	Orphan drug designation was granted in the U.S. in December 2025 for indications of gastric cancer and gastroesophageal junction cancer
	HDM2012	Innovative drug	Class 1 therapeutic biological product	Orphan drug designation was granted in the U.S. in December 2025 for pancreatic cancer indication
	HDM2020	Innovative drug	Class 1 therapeutic biological product	Orphan drug designation was granted in the U.S. in February 2026 for indications of gastric cancer and gastroesophageal junction cancer
	HDM2017	Innovative drug	Class 1 therapeutic biological product	Orphan drug designation was granted in the U.S. in March 2026 for biliary tract cancer indication
	HDM2017	Innovative drug	Class 1 therapeutic biological product	Orphan drug designation was granted in the U.S. in March 2026 for gastric cancer indication
	HDM2017	Innovative drug	Class 1 therapeutic biological product	Orphan drug designation was granted in the U.S. in March 2026 for pancreatic cancer indication
Breakthrough Therapy	DR10624	Innovative drug	Class 1 therapeutic biological product	Chinese breakthrough therapy designation was obtained in January 2026 for severe hypertriglyceridemia

Note: Paishuning® (Senaparib Capsules) and budesonide and formoterol powder for inhalation(IV) (capsule type) are products exclusively commercialized/ marketed by the Company in the Chinese mainland.

The Company's pharmaceutical innovation achievements presented at international academic conferences since 2025

No.	Date of release	Item	Conference/journal name	Presentation format	Title
1	April 2025	HDM2020	American Association for Cancer Research (AACR) Annual Meeting	Poster presentation	Preclinical development of HDM2020, a novel ADC targeting FGFR2b, in gastric cancer (GC) and squamous non-small cell lung cancer (sq-NSCLC) xenograft models
2	April 2025	HDM2012	American Association for Cancer Research (AACR) Annual Meeting	Poster presentation	Translational studies of HDM2012, a novel topoisomerase inhibitor ADC targeting MUC17, in patient derived GC, CRC, PDAC tumor models

			Meeting		
3	April 2025	HDM2017	American Association for Cancer Research (AACR) Annual Meeting	Poster presentation	Discovery of HDM2017, a CDH17-targeting ADC for colorectal cancers
4	April 2025	HDM2022	American Association for Cancer Research (AACR) Annual Meeting	Poster presentation	Discovery of potent, selective, and orally bioavailable GSPT1 molecular glue degraders (MGDs) for the treatment of MYC-driven tumors
5	April 2025	HDM2006	American Association for Cancer Research (AACR) Annual Meeting	Poster presentation	HDM2006, A Novel and Potent HPK1 PROTAC, Enhances Immune Cell Activation and Induces Robust Tumor Growth Inhibition
6	May 2025	DR10624	EASL Annual Meeting	Poster presentation and Late-Breaker	DR10624, a First-In-Class, FGF21 Receptor (FGF21R)/Glucagon Receptor (GCGR)/GLP-1 Receptor (GLP-1R) Triple Agonist Rapidly and Significantly Reduced Liver Fat in Obese Subjects With Modest Hypertriglyceridemia: A 12-Week Randomized, Placebo-Controlled, Double-Blind, Multi-Center Trial
7	May 2025	DR10624	EASL Annual Meeting	Poster presentation	DR10624, a novel FGF21R, GCGR, and GLP-1R tri-agonist, demonstrated extraordinary efficacy in B6-Alms1-del mice, a spontaneous MASH model of mice with obesity, hyperglycemia, and dyslipidemia phenotype
8	June 2025	HDM2025	ASCO	Poster presentation	Discovery of Potent Degraders of pan-KRAS Based on a Novel KRAS Binder
9	June 2025	HDM2020, HDM2012, HDM2017	World ADC Asia	Oral presentation, poster	Triad of precision: FGFR2b, MUC17 and CDH17 directed ADC for Advancing the treatment of solid tumors
10	June 2025	HDM1005	ADA Scientific Sessions	Oral presentation	Safety, Tolerability, Pharmacokinetics (PK), and Pharmacodynamics (PD) of a Dual GLP-1/GIP Receptor Agonist (HDM1005)—A Phase I, Randomized, Double-Blind, Placebo-Controlled, Single and Multiple Dose-Escalation Study
11	June 2025	HDM1002	ADA Scientific Sessions	Poster presentation	HDM1002-102: A Randomized, Placebo-Controlled, Four-Week, Phase 1b Study in Chinese Adults with Overweight or Obesity
12	June 2025	Semaglutide Injection	ADA Scientific Sessions	Poster presentation	Efficacy and Safety of HDG1901 vs Ozempic® in Patients with Type 2 Diabetes (T2D): A Randomized, Open-label, Bioequivalence Phase 3 Trial
13	September 2025	HDM1005	EASD Annual Meeting	Oral presentation	Significant Body Weight Reduction with Improved Body Composition by HDM1005, a Novel Long-Acting GLP-1R/GIPR Dual Agonist

14	September 2025	HDM1002	EASD Annual Meeting	Oral presentation	Significant Weight Reduction with Improved Body Composition and Serum TG/TC by HDM1002, a Novel Oral Small Molecule GLP-1R Agonist
15	September 2025	HDM7006-CAT	WSAVA	Poster presentation	WEIGHT MANAGEMENT IN OBESE PET CATS BY HDM7006, A GLP-1/GIP DUAL-TARGET AGONIST
16	September 2025	HDM7006-CANINES	WSAVA	Poster presentation	WEIGHT MANAGEMENT IN OBESE CANINES BY HDM7006, A GLP-1/GIP DUAL-TARGET AGONIST
17	October 2025	DR510	ESMO	Abstract and e-Poster	DR510: A Dual-Masking T-Cell Engager Prodrug with Single-Site Cleavage for Balancing Efficacy and Safety in Solid Tumor Therapy
18	November 2025	DR10624	AHA Scientific Sessions	Opening remarks at the main venue and Late-Breaking Science	DR10624, a First-In-Class, FGF21 Receptor/Glucagon Receptor/GLP-1 Receptor Triple Agonist, Rapidly and Significantly Reduced Triglycerides, Atherogenic Lipids and Liver Fat in Patients With Severe Hypertriglyceridemia: Primary Results From a Randomized Phase 2 Trial
19	November 2025	HDM2021	SITC Annual Meeting	Poster presentation	Discovery of HDM2021 as a Highly Potent CBL-B Inhibitor for Cancer Treatment
20	November 2025	HDM4002	ASN	Poster presentation	Potent Bispecific Antibody Inhibiting Activation of Complement Alternative Pathway and Lectin Pathway for IgAN Therapy
21	December 2025	HDM2005	ASH Annual Meeting	Poster presentation	A phase I study of HDM2005, a ROR1 targeted antibody-drug conjugate (ADC), in patients with Relapsed or Refractory B-cell non-Hodgkin lymphoma (B-NHL) or classical Hodgkin lymphoma(cHL)
22	March 2026	HDM3014	American Academy of Dermatology (AAD)	Oral	Efficacy and Safety of Roflumilast Cream 0.3% in Chinese Adult and Pediatric Patients with Plaque Psoriasis: Results From a Phase 3 Trial
23	March 2026	HDM3014	American Academy of Dermatology (AAD)	Poster presentation	Roflumilast Cream 0.15% for Mild-to-Moderate Atopic Dermatitis: A Multicenter, vehicle-Controlled Phase 3 Bridging Study in China
24	March 2026	HD-NP-102	Society of Critical Care Medicine (SCCM)	Oral	Clinical Validation of a Transdermal GFR Measurement System in Chinese Individuals
25	March 2026	HD-NP-102	Society of Critical Care Medicine (SCCM)	Oral	Bioequivalence and Efficacy Study of MB-102 With Transdermal GFR Measurement in Chinese Subjects
26	April 2026	HDM2021	American Association for Cancer Research (AACR)	Poster presentation	HDM2021, a potent and selective CBL-B inhibitor exhibits robust immunomodulatory efficacy for anti-tumor therapy
27	April 2026	HDM2024	American Association for Cancer Research (AACR)	Poster presentation	A novel EGFR and HER3 bispecific antibody-drug conjugate exhibits superior antitumor activity and favorable toxicological profile

28	April 2026	DR319	American Association for Cancer Research (AACR)	Poster presentation	DR319-DP: A Nectin-4/Trop-2 bispecific ADC with an avidity-driven VHH design and dual-MOA payloads
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Progress in the development and application of the AI-Enabled Drug Discovery (AIDD)

Platform

In 2025, the Company continued to advance the systematic development and implementation of its AI-Enabled Drug Discovery (AIDD) platform. Having progressed beyond the initial stage of technical capability building, this platform has gradually moved into a phase of systematic empowerment of the R&D pipeline, becoming a critical engine that supports the Company's innovation-driven R&D strategy. In terms of data and information analysis, the Company has developed an AI-based module for analysis of competitive products. This module integrates multi-source data, including clinical studies, patents, and academic literature, focusing on global trends in new drug R&D. Through automated data acquisition and algorithm-based analytics, this module delivers structured insights on key dimensions such as targets, indications, molecular types, and R&D stages. This module supports continuous tracking of competitive products, assessment of evolving R&D trends, and generation of standardized reports, thereby offering data-driven support for R&D decision-making and pipeline planning. With respect to molecular design and predictive capabilities, the Company has established a protein drug prediction module powered by advanced algorithmic models. This module features functionalities such as multi-round sampling, molecular interaction prediction, and structure generation under constraints, laying the technical foundation for high-throughput screening of candidate molecules.

In 2025, the AIDD platform generated over 1 million candidate molecules and independently developed 14 core computational tools, substantially enhancing R&D efficiency in the early stages of drug discovery. Throughout the reporting year, the platform provided deep technical support to 22 ongoing R&D projects of the Company, covering multiple technical fields such as small molecules, polypeptides, antibodies, and antibody-drug conjugates (ADCs). Simultaneously, the Company continued to expand the application capabilities of the AIDD platform in frontier domains such as oligonucleotide drugs and other novel specific molecules, and developed several key prediction models to further enrich its technological reserves. Through continuous improvement of a technical system featured by coordinated development of "computing power, data, and specialized talent," AI technology has gradually been embedded across multiple critical stages of the Company's new drug development workflow. Such embedding not only enhances R&D efficiency, but also plays a positive role in shortening R&D cycles and improving the quality of candidate molecules.

Others

Government funding: Since 2021, the Company's Global Innovative Drug R&D Center has been approved for 26 government-funded projects, with total confirmed funding of approximately RMB 136 million. During the reporting period, the HDM2005 and DR10624 projects were selected as major initiatives under the National Science and Technology Major Project for R&D of Innovative Drug; the HDM4002 project received special funding under the program of "Capacity Building of the Zhongmei Huadong National Enterprise Technology Center" in 2025; the HDM3013 preclinical project was funded by Zhejiang Province's "Vanguard and Leader" Program; the preclinical studies of HDM1005 and HDM2006 received financial support from the 2025 Hangzhou Special Fund for the High-Quality Development of the Biomedicine Industry (for drug preclinical study and public service platforms); the Phase I and Phase II clinical studies of HDM1002 were supported by the 2025 Hangzhou Special Fund for the High-Quality Development of the Biomedicine and Synthetic Biology Industries; the intelligent drug delivery project jointly conducted with Zhejiang University was approved as a research project of the Lingang National Laboratory. Additionally, the Company was approved to establish the "Zhejiang Provincial Key Laboratory for Intelligent Innovation of New Medicines for Metabolic Diseases" in 2024, with the provincial key laboratory commenced full operation in 2025.

Postdoctoral research workstation: In February 2021, Zhongmei Huadong, a wholly-owned subsidiary of the Company, was approved to set up a postdoctoral research workstation in Zhejiang Province, which was registered as a national postdoctoral research workstation in September 2022. Postdoctoral researchers at the workstation conduct cutting-edge and translational research in innovative drug development, in alignment with the Company's strategic priorities and R&D pipeline layout. Postdoctoral researchers receive joint training through collaborations with mobile postdoctoral stations at leading academic institutions, including Zhejiang University, the Shanghai Institute of Materia Medica of the Chinese Academy of Sciences, Shandong University, and Zhejiang University of Technology. To date, the workstation has recruited 33 postdoctoral researchers, among whom 18 are currently in residence, while 15 have successfully completed the program.

(3) Major R&D progress in generic drugs

The Company further clarified the focused and prioritized varieties by regularly organizing dynamic evaluation and analysis of existing generic drugs under development. From the beginning of the year until the release of this Report, the following products have been approved for marketing: Mycophenolate Mofetil for Suspension, Icosapent Ethyl Soft Capsules, and Carfilzomib for

Injection from Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (the Company's wholly-owned subsidiary); and Sirolimus Gel, Vonoprazan Fumarate Tablets, Ibrutinib Capsules, Mesalazine Enteric Coated Tablets, and Ketorolac Trometamol Injection from Huadong Medicine (Xi'an) Bodyguard Pharmaceutical Co., Ltd. (the Company's wholly-owned subsidiary).

(4) Progress in international registration

The Company has actively pursued international registration efforts. As of the date of the Report, main progress is as follows:

No.	Field	Item	Remarks	Latest progress
1	Endocrinology	Acarbose	APIs	Approved KDMF in South Korea on February 21, 2025 Submitted data for EP monograph revision in July 2025
2	Endocrinology	Semaglutide Injection	For diabetes treatment: 1.34 mg/mL 3 mL	Submitted Type C meeting request to the U.S. FDA in May 2025; Obtained EAEU GMP certificate in July 2025; Submitted NDA to Azerbaijan in December 2025;
			For weight loss: 0.68 mg/mL 1.5 mL, 1.34 mg/mL 1.5 mL, 1.34 mg/mL 3 mL, 2.27 mg/mL 3 mL, 3.2 mg/mL 3 mL	Submitted EAEU DRL response in December 2025
3	Endocrinology	Semaglutide (Injection)	APIs	Submitted DMF amendment to the U.S. FDA in July 2025
4	Endocrinology	Liraglutide	APIs	Submitted UAE registration application in March 2025; Drug product application approved in December 2025
5	Endocrinology	Semaglutide (Oral)	APIs	Completed initial US DMF submission in January 2025
6	Immunology	Cyclosporine	APIs	Obtained Japanese MF approval in February 2025 Obtained Japanese GMP certification in February 2025 Completed FDA on-site inspection in April 2025
7	Immunology	Tacrolimus Capsules	0.5 mg/1/mg/5 mg	U.S. ANDA amendment approved in October 2025
8	Immunology	Tacrolimus	APIs	Submitted DMF amendment to the U.S. FDA in March 2025 Completed on-site inspection of FDA in April 2025 (Jiuyang);
9	Anti-infection	Caspofungin Acetate for Injection	50 mg, 70 mg	U.S. ANDA approved in July 2025; Approved in Costa Rica in September 2025 (50mg)
10	Anti-infection	Mupirocin	APIs	Submitted DMF amendment to the U.S. FDA in March 2025
11	Anti-infection	Mupirocin Calcium	APIs	Submitted DMF amendment to the U.S. FDA in March 2025
12	Anti-infection	Polymyxin B Sulfate	APIs	Submitted DMF amendment application in the U.S. in February 2025;

				CEP (Sister file) approved in February 2026;
13	Oncology	MMAE	Intermediate	Submitted DMF amendment to the U.S. FDA in March 2025
14	Oncology	PyVAExd	Intermediate	Completed pre-IND submission in May 2025
15	Oncology	DM1	Intermediate	Submitted DMF amendment to the U.S. FDA in July 2025
16	Oncology	4- ([1,2,4]Triazolo[1,5-A]pyridin-7-yloxy)- 3-methylaniline	Intermediate	Completed initial US DMF in April 2025
17	Anti-infection	Daptomycin	APIs	Submitted DMF amendment to the U.S. FDA in April 2025
18	Digestive system drugs	Pantoprazole Sodium for Injection	40 mg	Submitted ANDA amendment application in the U.S. in March 2025; Submitted U.S. ANDA labeling changes and IR responses in March and April 2025, with approval obtained in May; Submitted IR responses to U.S. ANDA amendment in December 2025
19	Nucleotide drugs	2'-F-dG(ibu) Phosphoramidite monomer	Intermediate	Completed initial U.S. DMF in January 2025
20	Nucleotide drugs	rU Phosphoramidite	Intermediate	Completed initial U.S. DMF submission in January 2025
21	Anti-infection	Isavuconazonium Sulfate for Injection	372 mg	Completed U.S. ANDA submission in September 2025; Completed U.S. ANDA IR responses in December 2025
22	Nucleotide drugs	2'-OMe-U Phosphoramidite	Intermediate	Completed initial U.S. DMF submission in September 2025
23	Nucleotide drugs	2'-F-dA(Bz) Phosphoramidite	Intermediate	Completed initial U.S. DMF submission in September 2025
24	Immunology	Voclosporin	APIs	Completed initial U.S. DMF submission in September 2025
25	Endocrinology	Insulin Degludec	APIs	Completed initial U.S. DMF submission in September 2025
26	Nucleotide drugs	2'-OMe-G(ibu)	Intermediate	Completed initial U.S. DMF submission in November 2025
27	Oncology	Olaparib	APIs	Completed initial U.S. DMF submission in November 2025
28	Linker	SMCC	Intermediate	Completed initial U.S. DMF submission in November 2025
29	Nucleotide drugs	2'-F-dU Phosphoramidite	Intermediate	Completed initial U.S. DMF submission in December 2025
30	Endocrinology	Insulin Aspart	APIs	Completed initial U.S. DMF submission in January 2026
31	Nucleotide drugs	2'-F-dC(Ac) Phosphoramidite	Intermediate	Completed initial U.S. DMF submission in March 2026
32	Oncology	Leptomycin B	Intermediate	Completed initial U.S. DMF submission in March 2026
33	Oncology	Calicheamicin	Intermediate	Completed initial U.S. DMF submission in March 2026

(5) Progress in consistency evaluation

From the beginning of 2025 until the release of this Report, Paracetamol and Dihydrocodeine Tartrate Tablets of Shaanxi Jiuzhou Pharmaceutical Co., Ltd. (the Company's controlled subsidiary) and Ibuprofen Tablets of Huadong Medicine (Xi'an) Bodyguard Pharmaceutical Co., Ltd. (the Company's wholly-owned subsidiary), received approval notices for supplemental application for consistency evaluation.

(6) Progress in registration of major domestic aesthetic medicines

No.	Type	Product designation	Intended use	Latest progress
1	Injections	Lidocaine-containing Cross-linked Sodium Hyaluronate Gel for Injection MaiLi® Extreme	Enhancement of jawline contour	Obtained marketing approval from NMPA in January 2025; held a MaiLi® Extreme® launch in May 20
2	Injections	MaiLi® Precise Hyaluronic acid	Improvement of infraorbital pouch	Received registration acceptance notice from the Center for Medical Device Evaluation of the National Medical Products Administration in October 2025; the application is currently under technical review
3	Injections	Lanluma® V Poly-L-lactic acid	Improvement of jawline contour	Completed 12-month safety follow-up in clinical studies in December 2025; it is currently in the data compilation stage for the clinical study report
4	Injections	KIO021 Chitosan	Improvement of facial skin condition	Completed enrollment of the first subject in September 2025 and finished enrollment of all 500 subjects by January 2026
5	Injections	Ellansé-S Polycaprolactone	Improvement of frontal contour	Completed 12-month safety follow-up in the additional indication clinical study in December 2025; it is currently in the data compilation stage for the clinical study report
6	Injections	Ellansé-M Polycaprolactone	Improvement of temporal hollow	Received registration acceptance notice from NMPA in January 2025; the application is currently in the registration review stage
7	Injections	Recombinant Botulinum Toxin Type A for Injection (trade name: Retoxin®)	Moderate-to-severe glabellar lines	Received marketing approval from NMPA in March 2026
8	Energy-based device	V30	Improvement of body and facial wrinkles, benign skin lesions, benign vascular lesions, benign pigmented lesions, inflammatory acne, depilation, etc.	Received registration acceptance notice from NMPA in March 2025; received supplementary information notice in June 2025; preparation of technical documents in progress.
9	Thread lift	Silhouette Instalift	Facial lifting	Preparing technical documents for NDA in Taiwan, China, with approval expected in Q2 2027.
10	Energy-based device	Primelase Laser device	Benign skin lesions, pigmented lesions, and benign vascular lesions	Registration application in Taiwan, China: Currently in the technical review stage; the application is expected to get approval in Q1 2027

(7) Main registration progress of overseas aesthetic medicines

No.	Type	Product	Indication	Latest progress
1	Injections	KIO015	Facial filling, skin quality improvement	Currently, it is in the technical review stage for EU MDR-CE certification; it is expected to obtain the EU CE certification within 2026
2	Injections	Ellansé S	Nasolabial folds	Completed enrollment of all subjects for U.S. clinical study by end of March 2026; currently conducting safety follow-ups according to the study protocol
3	Injections	ATGC-110	Frown lines	Currently, it is in the protocol discussion and development stage for U.S. clinical study programs
4	Energy-based device	Primelase Laser device	Benign skin lesions, pigmented lesions, and benign vascular lesions	Japan registration application: Currently, the application is in the technical review stage; it is expected to get approval in Q4 2026

(8) Patent situation

In recent years, the Company has placed great emphasis on the protection of intellectual property rights and the application of research outcomes, with both the number of patent applications and grants steadily increasing. The Company has filed a total of over 1900 patent applications domestically and internationally over the years, including more than 580 authorized invention patents. Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Company, is a national intellectual property demonstration enterprise. It passed the external audit by Zhongzhi (Beijing) Certification Co., Ltd. in November 2014 and became one of the first 147 enterprises that passed the standards implementation certification. In October 2025, it smoothly passed the audit of the enterprise intellectual property compliance management system (Certificate No.: 165IP250489R0L).

During the reporting period, the Company's patent application and maintenance work proceeded smoothly. A total of 292 patent applications were filed, including 259 invention patents, and 81 patents were authorized.

Patent type	Increase during the reporting period		Total quantity	
	Number of patents applied for (units)	Number of patents received (units)	Number of patents applied for (units)	Number of patents received (units)
Invention patent	259	50	1538	587
Utility patent	28	27	321	273
Appearance design patent	5	4	48	46
Total	292	81	1907	906

Note: The data in the above table represent the statistical patent information of main subsidiaries engaged in the pharmaceutical industry, industrial microbiology and aesthetic medicine within the Company's consolidated statements.

	2025	2024	Change proportion
Number of R&D personnel (person)	1,941	1,864	4.13%
Proportion of R&D personnel	12.16%	12.44%	-0.28%
R&D personnel structure by education			
Bachelor's Degree	897	898	-0.11%
Master's Degree	619	569	8.79%
Doctoral Degree	107	106	0.94%
R&D personnel structure by age			
< 30	559	540	3.52%
30-40	1,059	1,023	3.52%
> 40	323	301	7.31%

R&D investment of the Company

	2025	2024	Change proportion
R&D investment amount (RMB)	2,471,680,907.05	1,770,011,691.48	39.64%
Proportion of R&D investment in operating revenue	16.60%	12.91%	3.69%
Capitalized R&D investment amount (RMB)	752,182,425.87	357,162,671.46	110.60%
Proportion of capitalized R&D investment in R&D investment	30.43%	20.18%	10.25%

Note: The above R&D investment amount refers to the direct R&D expenditures of the Company's main industrial controlled subsidiaries, which is mainly used for clinical research of products under research, the upgrade of existing product process, expenses for commissioned technological development, consistency evaluation and international registration certification. During the reporting period, the Company invested RMB 2.982 billion in R&D for pharmaceutical industry segment (excluding equity investments), up 11.36% year-on-year. Direct R&D expenses reached RMB 2.472 billion, up 39.64% year-on-year, accounting for 16.60% of operating revenues of pharmaceutical industry segment. R&D personnel of the Company in 2025 means the total number of personnel engaged in development in the R&D and manufacturing systems of the Company's main subsidiaries in the aspect of pharmaceutical industry and industrial microbiology. The proportion of R&D personnel means the proportion of the number of R&D personnel in the total number of personnel in the subsidiaries mainly engaged in the R&D, production, and manufacturing of the pharmaceutical industry and industrial microbiology. The proportion of R&D investment in operating revenue means the proportion of the direct R&D expenditure of Company's pharmaceutical industry segment in the operating revenue of the Company's pharmaceutical industry segment.

Reasons for and impacts of major changes in the composition of R&D personnel

Applicable Not applicable

Reasons for the year-on-year significant change in the proportion of total R&D investment in operating revenue

Applicable Not applicable

During the current period, the direct R&D expenditure of the Company's main industrial controlled subsidiaries was RMB 2.472 billion, showing an increase of 39.64% over the previous period, mainly due to the Company's increased R&D investment during the current period.

Reasons for and rationality explanation of significant changes in the capitalization rate of R&D investment

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2025	2024	Year-on-year increase/decrease
Subtotal of cash inflows from operating activities	48,473,910,236.87	44,970,182,586.26	7.79%
Subtotal of cash outflows from operating activities	44,228,305,865.70	41,221,253,703.91	7.29%
Net cash flow from operating activities	4,245,604,371.17	3,748,928,882.35	13.25%
Subtotal of cash inflows from investing activities	106,264,743.31	327,006,060.47	-67.50%
Subtotal of cash outflows from investing activities	1,776,037,156.15	2,497,277,729.47	-28.88%
Net cash flows from investing activities	-1,669,772,412.84	-2,170,271,669.00	-23.06%
Subtotal of cash inflows from financing activities	4,240,271,213.39	5,250,514,515.60	-19.24%
Subtotal of cash outflows from financing activities	7,062,742,873.33	6,000,178,834.72	17.71%
Net cash flow from financing activities	-2,822,471,659.94	-749,664,319.12	276.50%
Net increase in cash and cash equivalents	-254,229,522.78	781,991,175.77	-132.51%

Explanation of main influencing factors for significant changes in relevant data year on year

Applicable Not applicable

1. The cash inflows from investing activities in the current period are RMB 106 million, down 67.50% compared with RMB 327 million in the same period last year. The decrease is mainly due to the decline in the collection of large-denomination bank certificates of deposit due in this period.

Reasons for the significant difference between the Company's net cash flow from operating activities and the current year's net profit during the reporting period

Applicable Not applicable**V. Analysis of non-main business**Applicable Not applicable

Unit: RMB

	Amount	Proportion to total profit	Reason for formation	Whether it is sustainable
Investment income	-137,842,753.21	-3.43%	Mainly attributable to income from long-term equity investment accounted for using the equity method	
Gains or losses from	0.00	0.00%		No

changes in fair value				
Impairment of assets	-87,895,771.71		-2.19%	
Non-operating revenue	34,205,807.33		0.85%	No
Non-operating expenses	125,636,387.92		3.13%	No
Other income	245,152,017.73		6.10%	Mainly attributable to the recognition of government grants during the period No

VI. Analysis of assets and liabilities

1. Significant changes in asset composition

Unit: RMB

	End of 2025		Beginning of 2025		Increase or decrease in proportion	Description of significant changes
	Amount	Proportion to total assets	Amount	Proportion to total assets		
Monetary funds	4,978,052,188.84	12.75%	5,276,440,245.36	13.93%	-1.18%	Mainly attributable to the increase in net cash outflows from financing activities during the current period
Accounts receivable	8,985,587,945.31	23.02%	8,425,358,862.23	22.24%	0.78%	
Inventory	5,535,765,919.86	14.18%	4,776,397,278.01	12.61%	1.57%	Mainly attributable to the increase in inventory goods and finished products during the current period
Investment property	10,946,776.47	0.03%	11,842,042.67	0.03%	0.00%	
Long-term equity investment	1,509,122,017.22	3.87%	1,543,646,404.76	4.08%	-0.21%	
Fixed assets	4,470,264,264.88	11.45%	4,422,300,775.01	11.67%	-0.22%	
Construction in progress	832,431,516.18	2.13%	836,739,481.60	2.21%	-0.08%	
Right-of-use assets	170,395,474.59	0.44%	149,504,562.99	0.39%	0.05%	
Short-term borrowings	1,621,903,523.77	4.15%	2,312,339,143.21	6.10%	-1.95%	Mainly attributable to the repayment

						of some matured loans during the current period
Contract liabilities	188,554,462.61	0.48%	173,609,109.58	0.46%	0.02%	
Long-term borrowings	252,034,854.55	0.65%	14,262,841.05	0.04%	0.61%	
Lease liabilities	88,813,504.20	0.23%	71,857,938.46	0.19%	0.04%	
Receivables financing	460,578,206.16	1.18%	1,677,636,420.09	4.43%	-3.25%	Mainly attributable to the decrease in bank acceptance bills at the end of the current period
Development expenditure	1,757,196,902.53	4.50%	1,033,392,377.69	2.73%	1.77%	Mainly attributable to the increased capitalization of R&D expenses during the current period
Accounts payable	5,059,850,765.02	12.96%	4,467,770,810.96	11.79%	1.17%	Mainly attributable to the increase in trade accounts payable at the end of the current period
Other payables	2,215,275,211.55	5.67%	2,849,833,595.48	7.52%	-1.85%	Mainly attributable to the decrease in payable loans at call and temporary receipts at the end of the current period

Foreign assets account for a relatively high proportion

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Opening balance	Profits or losses from changes in fair value in the current period	Cumulative fair value changes recorded in equity	Impairment accrued in the current period	Purchase amount in the current period	Sale amount in the current period	Other changes	Closing balance

Financial assets								
4. Other equity instrument investments	603,232,766.22	5,303,654.70	1,631,733.66		77,928,475.00		-5,458,642.16	681,006,253.76
Subtotal of financial assets	603,232,766.22	5,303,654.70	1,631,733.66		77,928,475.00		-5,458,642.16	681,006,253.76
Receivables financing	1,677,636,420.09				9,249,033,563.73	10,466,091,777.66		460,578,206.16
Total of the above	2,280,869,186.31	5,303,654.70	1,631,733.66		9,326,962,038.73	10,466,091,777.66	-5,458,642.16	1,141,584,459.92
Financial liabilities	0.00						0.00	0.00

Description of other changes

Other changes are due to exchange rate fluctuations.

Whether there is any significant change in the measurement attributes of the Company's main assets during the reporting period

Yes No

3. Restrictions on asset rights as of the end of the reporting period

Item	Closing book balance	Closing carrying amount	Type of restriction	Reason for restriction
Monetary funds	167,868,783.56	167,868,783.56	Deposit	Deposit used for issuing bills, letters of credit, etc.
Monetary funds	54,025,000.00	54,025,000.00	Pledged	Large-denomination certificate of deposit pledged for issuing bills
Monetary funds	440,524.72	440,524.72	Frozen	Special funds for reserve materials
Fixed assets	104,874,654.12	101,722,559.68	Mortgage	Property used as mortgage for loan
Intangible assets	56,297,988.87	52,175,635.57	Mortgage	Land used as mortgage for loan
Total	383,506,951.27	376,232,503.53		

VII. Analysis of investment status

1. Overall situation

Applicable Not applicable

Investment amount in the reporting period (RMB)	Investment in the same period of the prior year (RMB)	Percentage change
2,574,757,344.86	3,101,859,421.91	-16.99%

2. Significant equity investments acquired during the reporting period□Applicable Not applicable**3. Significant non-equity investments in progress during the reporting period**Applicable □Not applicable

Unit: RMB

Item	Way of investment	Investment in fixed assets or not	Industries involved in the investment project	Investment amount during the reporting period	Accumulated actual investment amount by the end of the reporting period	Source of funds	Project progress	Expected earnings	Accumulated income realized by the end of the reporting period	Reasons for failure to meet the planned progress and expected earnings	Disclosure date (if applicable)	Disclosure index (if applicable)
Huadong Medicine Bio-innovation Intelligence Center Project	Self-built project	Yes	Pharmaceutical manufacturing	258,273,627.72	430,714,910.04	Own funds	51.00%	/	/	Not applicable	February 8, 2024	CNINFO (http://www.cninfo.com.cn)
Total	--	--	--	258,273,627.72	430,714,910.04	--	--	/	/	--	--	--

4. Investment in financial assets**(1) Investment in securities**Applicable □Not applicable

Unit: RMB

Security type	Security code	Security abbreviation	Initial investment cost	Accounting measurement model	Opening carrying amount	Profits or losses from changes in fair value in the current	Cumulative fair value changes recorded in equity	Purchase amount in the current period	Sale amount in the current period	Gains or losses during the reporting period	Closing carrying amount	Accounting item	Source of funds
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						t period							
Dome stic and overse as stocks	RAPT	RAPT	20,20 7,400. 00	Fair value measu remen t	459,9 85.74	708,5 52.66	- 2,963, 368.3 8	/	/	- 10,21 2.81	1,158, 325.5 9	Invest ment in other equity instru ments	Own funds
Total			20,20 7,400. 00	--	459,9 85.74	708,5 52.66	- 2,963, 368.3 8	0.00	0.00	- 10,21 2.81	1,158, 325.5 9	--	--

Note: (1) Huadong Medicine Investment Holding (Hong Kong) Limited, a wholly-owned subsidiary of the Company, purchased 218,102 Series C-2 preferred shares of RAPT Therapeutics, Inc. in a total of USD 3 million in 2018. RAPT Therapeutics, Inc. was listed on NASDAQ Exchange on October 30, 2019 (stock code: RAPT). As of the end of the reporting period, Huadong Medicine Investment Holding (Hong Kong) Limited held 4,937 shares in RAPT, accounting for approximately 0.0177% of the total shares of RAPT Therapeutics, Inc.

(2) On March 11, 2024, Huadong Medicine Investment Holding (Hong Kong) Limited, one of the Company's wholly-owned subsidiaries, subscribed IPO shares of Qyuns Therapeutics Co., Ltd. at the Stock Exchange of Hong Kong Limited as cornerstone investor with the consideration of equivalent USD 5 million from its own funds in Hong Kong dollar (excluding brokerage commission, related transaction fees and levies). For details, please refer to the *Announcement on Subscribing IPO Shares of Qyuns Therapeutics Co., Ltd. in Hong Kong as Cornerstone Investor* (Announcement No.: 2024-013) disclosed by the Company on CNINFO (<http://www.cninfo.com.cn>). On March 20, 2024, Qyuns Therapeutics was successfully listed on the main board of the Stock Exchange of Hong Kong with the stock code of 2509.HK. As of the date of this Report, the Company holds a total of 37,876,800 shares of Qyuns Therapeutics through its wholly-owned subsidiaries Zhongmei Huadong and Huadong Medicine Investment Holding (Hong Kong) Limited, accounting for approximately 16.68% of the total shares of Qyuns Therapeutics. Among them, Zhongmei Huadong holds 35,900,000 shares and Huadong Medicine Investment holds 1,976,800 shares. The Company calculated the shares held by Zhongmei Huadong and Huadong Medicine Investment in a consolidated manner, which was reflected in the long-term equity investment in the financial statements.

(3) On November 28, 2024, Hangzhou Jiuyuan Genetic Biopharmaceutical Co., Ltd., one of the Company's shareholding enterprises, was successfully listed on the main board of the Stock Exchange of Hong Kong with the stock name (abbreviation) of Jiuyuan Gene and the stock code of 2566.HK. As of the date of the Report, the Company holds a total of 42,120,453 shares of Jiuyuan Gene through its wholly-owned subsidiary Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., accounting for approximately 17.16% of the total shares of Jiuyuan Gene. The Company's shareholding in Jiuyuan Gene was reflected in the long-term equity investment in the financial statements.

(2) Investment in derivatives

Applicable Not applicable

The Company had no derivative investment during the reporting period.

VIII. Sale of major assets and significant equity

1. Sale of major assets

Applicable Not applicable

The Company did not sell major assets during the reporting period.

2. Sale of significant equity

Applicable Not applicable

IX. Analysis of major shareholding companies

Applicable Not applicable

Major subsidiaries and shareholding companies with an impact of more than 10% on the Company's net profit

Unit: RMB

Company name	Type of company	Main business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Subsidiary	Production of Traditional Chinese and Western APIs and formulations, and health care products	872,308,130.00	21,270,628,463.65	14,064,996,683.46	14,891,980,529.72	3,959,100,301.01	3,422,160,890.70

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Company name	Method of acquisition and disposal of subsidiaries during the reporting period	Impact on overall production, operation, and performance
Huadong Pharmaceutical Sales (Zhejiang) Co., Ltd.	Incorporation	Pharmaceutical distribution development
Huadong Medicine International Trade (Zhejiang) Co., Ltd.	Incorporation	Pharmaceutical distribution development
Huadong Peiyuantang (Hangzhou) Comprehensive Clinic Co., Ltd.	Incorporation	Pharmaceutical distribution development
Wenzhou Hui ren Health Food Co., Ltd.	Incorporation	Pharmaceutical distribution development

Description of major shareholding companies

X. Structured entities controlled by the Company

Applicable Not applicable

XI. Prospect of the Company's future development

(I) Prospect of macro-economy and trend of the pharmaceutical industry

In 2025, the global economy remained in a period of profound adjustment. A combination of factors—including increasingly complex geopolitical dynamics, persistent inflationary pressures in certain economies, and weakening growth momentum in advanced markets—continued to disrupt the pace of global economic recovery and reshape international trade patterns. Amid external pressures and internal challenges, China's economy has demonstrated remarkable resilience by steadfastly advancing toward the overarching objective of high-quality development. Its overall performance continued the steady upward trajectory, marked by synchronized improvements in both growth quality and efficiency. According to the 2025 Statistical Bulletin on National Economic and Social Development released by the National Bureau of Statistics, China's gross domestic product (GDP) reached RMB 140.1879 trillion in 2025, surpassing the RMB 140 trillion mark for the first time and growing by 5.0% year on year. China once again met its annual growth target and continued to contribute approximately 30% to global economic growth, maintaining its position as the largest contributor and strongest stabilizing force for global economic expansion.

From the perspective of core demands in the pharmaceutical industry, a combination of key drivers are converging to sustain robust growth in the global pharmaceutical market, including the accelerating aging of the global population, the rising prevalence of chronic diseases, a comprehensive enhancement in residents' awareness of lifelong health management, accelerated innovation in drugs and therapies, continuous upgrades to global healthcare systems, and sustained increases in global healthcare resource investments following the occurrence of public health events. These factors collectively underscore the industry's structural growth characteristics.

According to forecasts by IQVIA, after industry fluctuations caused by earlier public health events, the global pharmaceutical market is gradually returning to a normalized growth trajectory. By 2029, global pharmaceutical spending (at list prices) is projected to reach USD 2.4 trillion, representing a compound annual growth rate (CAGR) of 5–8% over the next five years (excluding special expenditures on COVID-19 vaccines and treatments). Future industrial growth will continue to be shaped by two key dynamics: on one hand, the launch of global innovative drugs and breakthroughs in biopharmaceutical technologies will continue to fuel growth momentum; on the other hand, the concentrated patent expirations of drugs and accelerated adoption of biosimilars will intensify market competition, partially offsetting the overall growth momentum. Over the next five years, emerging markets—particularly China, India, and other Asia-Pacific economies—are expected to remain the fastest-growing regions in terms of pharmaceutical consumption, each with a

projected CAGR above 3.5%, significantly higher than growth rates in developed markets such as Europe and the United States. Biopharmaceuticals will remain the core growth engine of the global pharmaceutical market. By 2029, spending on biopharmaceuticals is expected to account for approximately 41% of total global pharmaceutical spending. Although growth will moderate to 10–13%, the global biopharmaceutical market is still expected to exceed USD 950 billion in value.

By 2029, oncology and immunology will remain the two largest therapeutic segments in terms of global pharmaceutical spending. Oncology drugs are expected to maintain a CAGR of 10.5–13.5%, with the launch of estimated 100 new oncology therapies worldwide over the next five years, driving the market size of global oncology drug to reach USD 441 billion by 2029. Supported by the gradual mitigation of competitive pressures from biosimilars, steady expansion of the patient population, and the gradual implementation of innovative therapies, the global immunology drug market is expected to grow at a CAGR of 3.5–6.5%, with its market size surpassing USD 200 billion by 2029. Meanwhile, the endocrine and metabolic disease sector is exhibiting strong growth momentum, particularly driven by explosive demands for therapies related to diabetes and obesity. The application of GLP-1 agonists in glycemic control and weight management continues to expand, with related treatment days growing at more than twice the global average for pharmaceuticals, making it a key source of incremental market growth.

Shifting focus to the Chinese pharmaceutical market, data from IQVIA reveals that pharmaceutical expenditures in China have exhibited a consistent upward trajectory, increasing from USD 112 billion in 2015 to USD 178 billion in 2024. This growth has positioned China as the world's second-largest pharmaceutical market in terms of volume. Over the past five years, growth in China's pharmaceutical spending has been primarily driven by originators. The share of originator spending rose from 22% in 2015 to 31% in 2024. The rapid enhancement of R&D capabilities among domestic innovative pharmaceutical companies has led to an increasing number of originators that are independently developed and launched by domestic enterprises, gradually breaking the traditional dominance of multinational pharmaceutical companies and reshaping the competitive landscape of pharmaceutical market in China. Over the past five years, the domestic originator market has achieved a CAGR of 9.2%. Looking ahead, it is anticipated that amidst the normalized adjustments to the National Reimbursement Drug List, the expedited medical insurance coverage for innovative drugs, and the continuous unleashing of clinical demands, the CAGR of innovative drugs will sustain above 7.8% over the forthcoming five-year period. This rate will markedly surpass the growth rates of 6% or lower observed in other drug categories; influenced by policies such as hospital cost containment and the regularization of centralized drug procurement, non-originators—the second-largest segment of China's pharmaceutical spending—are expected to

attain a CAGR of less than 1% over the next five years. Consequently, the overall growth of the pharmaceutical market may decelerate to a reasonable range of 2.5–5.5%. It is projected that China's pharmaceutical spending will witness a cumulative increase of approximately USD 32 billion over the next five years, surpassing USD 210 billion by 2029. Given the substantial potential for market expansion, the innovation-driven nature of the market will become increasingly prominent.

(II) Industry development trends

1. Domestic pharmaceutical industry

The pharmaceutical industry is a strategic sector that is closely related to national policies, people's livelihood, economic development, and national security. It also serves as a vital foundation for the implementation of the "Healthy China 2030" initiative. The year 2025 marks a pivotal moment for China's pharmaceutical sector—a year defined by the deepened implementation of the "Healthy China 2030" initiative, the successful conclusion of the 14th Five-Year Plan for pharmaceutical industry development, and forward-looking planning for the sector's layout under the forthcoming 15th Five-Year Plan. The industry is entering a phase characterized by innovation-driven transformation, structural optimization, and high-quality growth. With the continued acceleration of population aging, ongoing improvements in chronic disease management systems, rising public awareness of health management, and enhanced accessibility of primary healthcare services, overall demand within the pharmaceutical market continues to expand. The long-term fundamentals of the industry remain solid, providing broad prospects for sustained and high-quality industrial development.

At the policy level, China's pharmaceutical sector continues to follow the core reform direction of coordinated advancement across "healthcare, medical insurance, and pharmaceuticals". The volume-based procurement (VBP) program of pharmaceuticals has been fully regularized and institutionalized, with its operational framework continuously optimized and upgraded. The previous model of awarding contracts solely based on the lowest price has been abandoned. Instead, the program now focuses primarily on mature generics and approved varieties, while preserving adequate commercialization windows for innovative products. This approach guides the industry away from homogeneous, low-price competition toward value-based differentiation. Medical insurance payment reforms are progressing in depth. Negotiation mechanisms are becoming increasingly mature, and the construction of a tiered payment structure is accelerating. Supported by policies such as dual medical insurance channels, outpatient pooling, and prescription circulation, structural barriers in drug distribution and primary care access are being dismantled. These changes are releasing incremental demands in primary and outpatient markets and restructuring the

industry's channel structure. Drug evaluation, approval, and industry regulation maintain a dual focus on encouraging innovation, while strictly controlling risks. Priority review pathways for innovative drugs are being optimized, the launch of urgently needed drugs and medical devices is accelerating, and compliance regulation is being strengthened across the entire value chain to foster greater industry concentration. Overall, policy reforms are steering the domestic pharmaceutical industry away from extensive growth. In the future, the domestic pharmaceutical industry will continue to develop along the key directions of innovation-driven advancement, quality-first development, compliant operations, and intensified operational efficiency.

From the perspective of innovation and R&D trends, China's pharmaceutical innovation capabilities have continued to leap forward, and local pharmaceutical companies demonstrated significant breakthroughs in innovation and R&D strengths and gained stronger global influence and recognition. Publicly available data from the National Medical Products Administration (NMPA) show that 76 innovative drugs were approved for marketing in China in 2025, showing a record high, including 11 first-in-class drugs. According to IQVIA and authoritative industry statistics, China's Investigational New Drug (IND) pipeline accounts for approximately 30% of the global total, ranking second worldwide, with increasingly rising global participation in clinical studies by pharmaceutical companies headquartered in China. Domestically produced innovative drugs have been fully integrated into the global pharmaceutical innovation system, becoming an increasingly important source of new drug R&D worldwide.

From the perspective of breakthroughs in disease areas and technology platforms, the underlying logic of innovative drug development continues to focus on unmet clinical needs, with multiple breakthroughs observed across high-demand therapeutic areas and cutting-edge technology platforms. In the field of metabolic disorder management, GLP-1 receptor agonists stand as the cornerstone therapy, with their indications continuously expanding and market potential burgeoning. In the oncology field, traditional treatment boundaries are being transcended, marked by a series of breakthroughs in cutting-edge technology platforms, including antibody-drug conjugates (ADCs), bispecific/multispecific antibodies, nuclide-targeted drugs, CAR-T cell therapies, and gene editing. Domestic pharmaceutical companies have established core comparative advantages through differentiated target layouts and technological process optimization. In addition to the oncology field, innovative achievements continue to emerge in large-scale indication areas such as autoimmune disorders and rare diseases, further augmenting the industry's growth potential and injecting robust momentum into the long-term high-quality development of the pharmaceutical industry.

2. Aesthetic medicine industry

The aesthetic medicine industry has transitioned from its initial phase of rapid and extensive market expansion to a more rational growth trajectory. The number of industry participants continues to rise, intensifying the market competition. However, from a long-term perspective, China's aesthetic medicine market still exhibits lower per capita penetration rates compared to mature overseas markets. Coupled with steady increases in residents' disposable income, continuous popularization of consumption awareness towards aesthetic medicine, and an expanding consumer base for minimally invasive aesthetic procedures, the industry's long-term growth resilience remains robust, with vast development potential. According to data from the National Bureau of Statistics, China's per capita disposable income reached RMB 43,377 in 2025, maintaining steady growth and achieving a real increase of 5% after adjusting for price factors, providing solid support for the upgrading of aesthetic medicine consumption. The *2025 Insight Report on China's Aesthetic Medicine Industry*, jointly released by the Chinese Association of Plastics and Aesthetics and Deloitte China, projects that China's aesthetic medicine market will sustain a growth rate of 8–12% in 2025. Driven by strengthened compliance regulations, refined consumer demands, and increasing penetration of minimally invasive aesthetic procedures, the industry is expected to maintain steady growth of 8–13% over the next three to five years.

Non-surgical minimally invasive aesthetic medicines, characterized by minimal trauma, rapid recovery, and high repurchase rates, continue to gain growing market share, becoming the core driver of industry growth. Data from the *2025 Insight Report on China's Aesthetic Medicine Industry* reveals that the market share of domestic non-surgical aesthetic medicines surpassed 60% in 2025. Among non-surgical aesthetic medicines, injectable products and energy-based products account for approximately 45% of market share respectively, with both segments maintaining steady growth. Injectable products are expected to achieve a CAGR of 18–25% over the next five years, while energy-based products are expected to attain a CAGR of 12–18% over the same period.

With the comprehensive tightening of compliance regulation in the aesthetic medicine market, non-compliant products and institutions are being swiftly phased out, and consumer reliance on compliant brands, high-quality products, and professional services continues to grow. Refined demands such as body contouring, anti-aging, wrinkle removal, and skin whitening are becoming mainstream, driving the steady expansion and quality improvement of China's aesthetic medicine market.

(III) Innovative development strategies of various business segments of the Company

1. Development plan of pharmaceutical industry

By upholding the main development theme of innovation-driven R&D, the Company will take innovative medicines as the foundation and orientation for building core competitiveness in the

future, closely track the technological development and R&D dynamics of such frontier fields as biopharmaceuticals, gene therapy, cell therapy and ADC medicines at home and abroad. It focuses on and gives priority to the development of innovative drugs and high-technical barrier generic medicines with outstanding clinical values for oncology, endocrinology, autoimmunity, and other major diseases and chronic diseases, with differentiated and pioneering innovative medicine pipelines formed. In terms of its R&D philosophy, the Company is committed to deepening comprehensive external collaborations and infusing fresh vitality into its long-term strategic plan for "digestion and absorption". It will persistently enrich its product pipeline, refine the medium- to long-term layout of innovative products, and uphold the dual-wheel drive and synergistic development of its "power engine" and "innovation engine" for R&D endeavors. The Company will construct a global R&D strategic collaboration ecosystem centered around Zhongmei Huadong, while continuously enhancing its capabilities for international product operations and effectively licensing out its competitive products, advanced technologies, and patents. Looking ahead to its scientific innovation efforts, the Company will take innovativeness and differentiation as its benchmarks, adhere to the fundamental principle of clinical value, and prioritize the project advancement speed, guided by a medium- to long-term perspective on pipeline development. It will continuously increase R&D investment, enhance the efficiency of R&D fund utilization, consistently enrich and optimize its core innovative product pipeline, and form a diverse product pipeline and a well-structured lineup of products.

The Company will accelerate the recruitment of high-level talent and build a high-caliber scientific research team. It will foster an innovative cultural environment and atmosphere that encourages innovation, celebrates success, and tolerates failure, while strengthening the construction of its internal R&D system and technology platforms. With the goal of building a research team marked by strong capabilities, open-mindedness, passion, responsibility, and an innovative spirit, the Company is dedicated to driving the full implementation of its innovation internationalization strategy. It will establish a dynamic evaluation mechanism for R&D projects to guide decision-making and management related to R&D and product license-in activities, ensuring the scientific rigor, advancement, and feasibility of scientific innovation efforts.

2. Development plan of the pharmaceutical distribution

Amid slowing industry growth, the Company's pharmaceutical distribution segment will optimize existing business and explore new growth opportunities. To consolidate its existing business, the Company will safeguard the scale and market share of mature businesses such as pharmaceuticals, medical devices, and herbal decoction pieces in hospital settings. For pharmaceuticals, it will strengthen engagement with tertiary hospitals, expand out-of-hospital retail

channels, and enhance store efficiency. For medical devices, it will deepen cooperation with brand partners and strive to secure distribution rights under centralized procurement. For herbal decoction pieces, it will respond to centralized procurement through large-scale decoction services and diversified product portfolio. The Company will concentrate on breaking through new growth areas in "dual non-core" businesses (non-pharmaceutical and non-medical insurance products). On one hand, it will leverage resource channels such as private hospitals to introduce high-margin varieties. On the other hand, it will develop its own brands by constructing robust supply chains. At the same time, with per capita labor efficiency as the core metric, the Company will continue to reinforce its advantages in chemical drug and medical device agency business, while prioritizing the expansion of biologics agency business. To further enhance business synergies, the Company will continue advancing its portfolio of innovative business. Beyond expanding existing initiatives—such as product agency services and third-party logistics with a strategic emphasis on cold chain, specialty drugs, and radiopharmaceuticals—the Company is also opening new business fronts through collaboration with its aesthetic medicine and industrial segments. By undertaking new nationwide distribution mandates for botulinum toxin products and upgrading its cold chain supply capabilities accordingly, the Company is strengthening the logistics backbone needed to support future business development across all segments.

3. Development plan of the aesthetic medicine

The Company's aesthetic medicine business adheres to the strategic approach of "global operational layout and dual-circulation business development". It will maintain a steadfast focus on the global high-end aesthetic medicine market, integrate and harness global technological innovation resources to continually elevate its academic influence. Ranging from refined clinical techniques to broader industrial development, the Company is consistently strengthening its product pipeline to establish a comprehensive global operational framework for aesthetic medicines and create new avenues for future development. The Company intends to introduce high-tech international premium products with significant market potential, which combine "aesthetic medicine + life cosmetology" into the Chinese market. By leveraging its registration and commercialization capabilities in China, the Company will steadily expand its presence in China, accelerate the localization and market launch of these premium international products, and shape a new development pattern characterized by mutually reinforcing domestic and international dual cycles.

Looking ahead, the Company will continue to focus on the global high-end aesthetic medicine market and build an internationalized aesthetic medicine business that integrates R&D, manufacturing, and marketing. Drawing on multiple global R&D centers and production bases, the

Company will further integrate its R&D resources and capabilities, actively optimize and upgrade its product mix, enrich and refine its international industrial layout, and provide robust production capacity assurances for the internationalization of its aesthetic medicine products. This will better meet future development and market demands. Simultaneously, the Company will continuously build its brand strength through cutting-edge innovative technologies, and adhere to the professionalism and rigor of pharmaceutical professionals. It is committed to delivering comprehensive solutions and exceptional aesthetic experiences for aesthetic-treatment consumers, bringing long-term value to aesthetic-treatment consumers, aesthetic medicine institutions, and doctors worldwide.

4. Development plan of the industrial microbiology

Industrial microbiology segment of the Company will adopt international development as its strategic orientation, and closely keep up with global technological and industrial trends in industrial microbiology and synthetic biology. The Company will concentrate on constructing an "industrialized, large-scale, and internationalized" industrial cluster, aspiring to become a global leader in the industrial microbiology sector. The Company will persist in implementing its development strategy for the industrial microbiology segment: I) Internationalization: Keep abreast of emerging industrial development in new therapeutic areas (such as drug conjugates and gene therapy drugs) and establish an internationally influential biopharmaceutical manufacturing chain (encompassing the manufacturing and international sales of polypeptide drugs, ADC drugs, and RNA drugs); II) Diversification: Actively expand into non-human pharmaceutical markets (such as raw materials for massive health, biomaterials, and animal health); III) Platformization: Actively introduce new technologies and products, continuously upgrade, and leverage synthetic biology as the core innovation platform to fully utilize the Company's robust industrialization capabilities and enhance the market competitiveness of industrial microbiology products. Industrial microbiology will continue to penetrate new markets, improve global business coverage, and inject sustained momentum for long-term growth.

(IV) Business Plan in 2026

In 2026, the Company will continue to uphold its core management philosophy of "solving problems and creating value", further advance the comprehensive implementation of its strategic pillars, including innovation-driven development, resource integration, and enterprise-wide synergy. By enhancing internal execution and driving reform while fostering new capabilities, the Company aims to sustain steady growth in its mature businesses, while unlocking the growth potential of its emerging businesses. Centered around its four core business segments—pharmaceutical industry, pharmaceutical distribution, medical aesthetics, and industrial microbiology—the Company will

pursue new market opportunities, new product value, new organizational effectiveness, and new core capabilities.

1. Pharmaceutical industry segment

The Company will steadfastly uphold its corporate philosophy of being "research-based and patient-centered", and continue to augment its R&D investment to progressively enrich the layout of its innovative drug R&D pipeline. In 2026, the Company's R&D team will elevate its overall R&D strategic thinking, implement R&D management reforms, establish robust project evaluation criteria, improve the project quality, fortify R&D capabilities, boost R&D efficiency, increase project success rates, stimulate the enthusiasm of R&D personnel, concentrate on key technological areas, and continuously optimize the quality and core competitiveness of the product pipeline.

For innovative programs, the Innovation R&D Center will remain guided by the unmet clinical needs of patients worldwide, focus on core areas and cultivate differentiated competitiveness. It will delve deeply into clinical demands and competitive dynamics, tackle treatment protocols and iterative technologies, expand new indications for existing products, and expedite the R&D speed of products.

In terms of generic drugs, the CMC Center will persist in establishing and forming an "API + DP" industrial chain advantage that combines generic and innovative drugs, while continuously deepening the preparation technology improvements and innovations in the development of high-tech barrier generic drugs.

2. Pharmaceutical distribution segment

The year 2026 marks a pivotal juncture in the Company's eighth three-year plan, aligning with its 2030 strategic plan. In terms of pharmaceutical distribution segment, the Company will take service value innovation as its cornerstone and transform into a comprehensive pharmaceutical services provider. Leveraging the organizational structure reforms, the Company will address business shortcomings, focus on improving human efficiency, innovate in line with industry trends, and construct an omni-channel marketing system to achieve high-quality development in both current business improvement and future business cultivation. The Company will firmly grasp traditional businesses such as pharmaceuticals, medical devices, and herbal medicines, and actively foster business growth and market share through innovative measures. The non-pharmaceutical business will continue to expand, supported by the establishment of a resilient and scalable supply chain system. As a key growth engine, the agency business—in conjunction with distribution services and third-party logistics—will form a "three-pronged" growth model, enabling the Company to build the leading CSO brand among pharmaceutical distribution enterprises in Zhejiang Province. Simultaneously, the Company will also fully undertake nationwide distribution

for veterinary medicines and recombinant botulinum toxin products, while upgrading its nationwide cold chain logistics capabilities to match the expanding portfolio.

3. Aesthetic medicine segment

In 2026, the Company's aesthetic medicine segment will continue to advance the global development and regulatory registration of high-end aesthetic medicine products, ensuring that all programs progress as scheduled. These efforts will further enrich and expand the product pipeline, and deliver greater benefits to more aesthetic-treatment consumers. In 2026, the Chinese aesthetic medicine business will remain committed to the philosophy of "innovation driven and aesthetic-treatment consumers centered", enhance the service quality and strengthen brand-building efforts for both the Sinclair brand and corporate brand. The Company will expand the market share through multi-channel strategies and develop combined treatment protocol across multiple product lines to address diverse aesthetic needs under difference scenarios. At the same time, the Company will strengthen collaborations with leading international academic organizations, enhance physician training, and continuously improve injection techniques and aesthetic concepts, with the goal of providing consumers with diversified, safer, and more effective treatment options.

4. Industrial microbiology segment

In 2026, the Company will adopt a pragmatic and focused approach in its industrial microbiology segment, refine its strategic priorities and seek high-quality operational performance. The Company will concentrate on cultivating key product varieties to establish core product competitiveness, while prioritizing cost reduction and expense control to enhance overall profitability. On the marketing front, the Company will anchor its efforts in cost competitiveness, product quality, responsiveness, and customer satisfaction. The Company will ensure effective execution of commercial objectives and action plans, intensify international market expansion, and enhance key-account development to substantially increase the market coverage. At the same time, the Company will accelerate product certification and regulatory registration processes to support faster market access and broader product reach. The Company will continue to uphold the "customer-first" philosophy, wholeheartedly serve customers, and align all development and operational priorities with market needs and customer expectations. On the internal operational front, the Company will achieve cost-reduction targets through various measures such as technological advancement, procurement optimization, and manufacturing expense control. Moreover, the Company will take various measures across multiple dimensions to comprehensively enhance the market competitiveness and overall operational performance of its products.

5. Production and quality management

In 2026, the production system will institutionalize the vision of "cost reduction and efficiency improvement" as a standard operating practice. Guided by the core tenets of "high efficiency, compliance, and productivity," it will optimize resource integration and organizational reform, while sharing production management expertise, to help all production enterprises within the system strengthen production management concepts and elevate their production management levels. As for the quality system, the Company will remain steadfast in upholding its work principles of "integrity, efficiency, quality first, international alignment, and innovative excellence", and implement the concept that "quality is the lifeline." It will construct a scientific and efficient quality management system to ensure zero tolerance for quality and safety risks.

(V) Possible risks and countermeasures

1. Risks arising from industry policy changes and product price reductions

The pharmaceutical industry is a strategic sector strongly supported and promoted in China, as it is closely related to public health and life safety. It is also a highly competitive and innovation-driven industry that must continuously adapt to market changes and policy adjustments. In recent years, with the ongoing advancement of policies such as volume-based procurement and medical insurance negotiations, the industry has been moving toward greater standardization, normalization, and systematization. In the meantime, such external factors as geopolitics and macroeconomic policies have also disturbed business operations and market conditions, posing new challenges to the production cost and profitability of the pharmaceutical industry. Besides, there is a risk of price reduction of new drugs.

Countermeasures: The Company maintains close attention to national policies and industry trends, with corresponding adjustment made when necessary. In terms of R&D, the Company is increasing investment to further enrich its product pipeline in core therapeutic areas, thereby enhancing competitiveness and growth potential. At the same time, the Company actively expands the aesthetic medicine and industrial microbiology fields to create new growth drivers. In addition, the Company also mitigates its production and operation risks through cost reduction, efficiency improvement, lean management, or by other means.

2. Risks in new drug R&D

Generally, the R&D cycle of innovative products is lengthy. From R&D to market launch, these products must go through a series of stages, including preclinical study, clinical study, regulatory submission and registration, manufacturing approval, and final commercialization. This process is lengthy and subject to numerous uncertainties, such as national policies, market factors, and regulatory approvals. In addition, the R&D of innovative drugs requires high-level talent with advanced academic and professional backgrounds, and the labor costs and upfront R&D

expenditures may put pressure on the Company's short-term operational performance. Post-launch sales ramp-up also take time and may face risks such as price reductions, which could result in returns on R&D investment falling short of expectations.

Countermeasures: The Company focuses on its core therapeutic fields and continuously enhances its in-house R&D capabilities. In recent years, it has enriched and optimized its product pipelines through a combination of independent R&D and licensed introductions, thereby building a distinctive R&D ecosystem for Huadong Medicine, with specialized research matrices in oncology, endocrinology, and autoimmune diseases. The Company will continue to optimize its innovation mechanisms, improve its scientific evaluation and decision-making system for new drug research, and strengthen close collaborations with leading R&D institutions both in China and abroad. In the meantime, it will continue to increase its efforts in recruiting high-level research talents, enhance the training and incentive mechanisms for its core technical staffs, and develop a world-class innovation team capable of supporting the full cycle of innovative drug R&D.

3. Risk in investment and merger

External investment is one of the key approaches for enterprise development. In recent years, to advance its strategic transformation toward innovation, the Company has continuously engaged in investments and acquisitions in innovative drugs, aesthetic medicine, and industrial microbiology, leading to the recognition of goodwill. If acquired companies experience performance fluctuations in the future, goodwill may be impaired, which could adversely affect the Company's performance for the period. In addition, post-investment management and business integration of target companies place higher demands on the Company's management capabilities.

Countermeasures: The Company exercises oversight over acquired subsidiaries through control of Board of Directors and by appointing management and financial personnel to participate in major decision-making and daily operations. Subsidiaries are required to comply with the listed company's internal control systems and to establish and implement comprehensive management systems. The Management of acquired subsidiaries maintains efficient communication with the Company, while daily operations and major decisions are strictly carried out in accordance with relevant laws and regulations, the Company's Articles of Association, management rules, the Board of Directors and the Rules of Procedure for Shareholders' Meeting. In terms of acquisition risk prevention and control, the Company will conduct business, financial, and tax due diligence on target companies by engaging external intermediaries, and regularly carry out specialized management audits of subsidiaries. Furthermore, the Company is committed to enhancing its capabilities in operational planning, management structure, and financial management, while continuously strengthening resource sharing and synergy with acquired subsidiaries, and improving

business integration in consolidated operations and governance. It also conducts regular goodwill impairment tests and reinforces comprehensiveness, rigor, and timeliness in post-investment management.

4. Risk in exchange rate fluctuation

The Company has been committed to advancing its international development process. In recent years, the Company increasingly develops international cooperation and exchanges, expands the sales network of aesthetic medicine in the world, and accelerates the development of its industrial microbiology segment, rising the proportion of foreign currency settlement business. The fluctuation in exchange rate will affect the price of the Company's export products, cause exchange gains and losses to the Company, and increase the operating costs, thus affecting the Company's assets, liabilities and income, further impacting its operation ability, debt repayment ability and profitability.

Countermeasures: The Company will maintain a vigilant watch over fluctuations in exchange rates and make timely adjustments to its business strategies to effectively mitigate any adverse impacts. It will establish awareness of exchange rate risks and continuously improve the foreign exchange risk management system. Meanwhile, the Company will strengthen training for financial personnel to improve professional skills and risk awareness, reinforce risk mitigation practices, and fully utilize financial instruments to hedge against exchange rate risks.

XII. Activities such as research, communication, and interviews conducted during the reporting period

Applicable Not applicable

Reception date	Reception address	Reception method	Type of visitor	Visitors	Main content of discussion and information provided	Index of basic information of the research
April 18, 2025	Conference room of the Company	Online exchange	Institutions and individuals	Tianfeng Securities, Soochow Securities, Sinolink Securities, etc	2024 Annual Performance Exchange Meeting of Huadong Medicine	For details, see the <i>Record Sheet of Investor Relations Activities on April 18, 2025</i> , which was published by the Company at https://irm.cnin

						fo.com.cn/ and at www.cninfo.com.cn.
April 25, 2025	Conference room of the Company	Online exchange	Institutions and individuals	CITIC Securities, CICC, Industrial Securities, etc.	2025 First Quarter Performance Exchange Meeting of Huadong Medicine	For details, see the <i>Record Sheet of Investor Relations Activities on April 25, 2025</i> , which was published by the Company at https://irm.cninfo.com.cn/ and at www.cninfo.com.cn.
May 13, 2025	Conference room of the Company	Online exchange	Individuals	Individual investors	2024 Annual and 2025 First Quarter Online Performance Briefing Meeting of Huadong Medicine	For details, see the <i>Record Sheet of Investor Relations Activities on May 13, 2025</i> , which was published by the Company at https://irm.cninfo.com.cn/ and at www.cninfo.com.cn.
May 15, 2025	Conference room of the Company	Field visits	Institutions and individuals	Yinhua Fund, CIB Fund, Aegon-Industrial Fund, etc.	Investor reception day events of Huadong Medicine	For details, see the <i>Record Sheet of Investor Relations Activities (Investor Reception Day Events) on May 15, 2025</i> , which was published by the Company at https://irm.cninfo.com.cn/ and at www.cninfo.com.cn.
August 20, 2025	Conference room of the Company	Online exchange	Institutions and individuals	Soochow Securities, Sinolink Securities, GF Securities, etc.	2025 Semi-annual Performance Exchange Meeting of Huadong	For details, see the <i>Record Sheet of Investor Relations Activities on</i>

					Medicine	August 20, 2025, which was published by the Company at https://irm.cninfo.com.cn/ and at www.cninfo.com.cn .
September 25, 2025	Conference room of the Company	Field visits	Institutions and individuals	Citibank, Carlyle, Sumitomo Mitsui DS Asset Management, etc.	Investor communication	For details, see the <i>Record Sheet of Investor Relations Activities on September 25, 2025</i> , which was published by the Company at https://irm.cninfo.com.cn/ and at www.cninfo.com.cn .
October 28, 2025	Conference room of the Company	Online exchange	Institutions and individuals	CICC, CITIC Securities, China Securities, etc.	2025 Third Quarter Performance Exchange Meeting of Huadong Medicine	For details, see the <i>Record Sheet of Investor Relations Activities on October 28, 2025</i> , which was published by the Company at https://irm.cninfo.com.cn/ and at www.cninfo.com.cn .

XIII. Formulation and implementation of market value management system and valuation enhancement plan

Whether the Company formulates its market value management system.

Yes No

Whether the Company discloses its valuation enhancement plan.

Yes No

To strengthen its market value management, further standardize its market value management practices, and practically safeguard the legitimate rights and interests of the

Company, its investors, and other stakeholders, the Company has formulated its *Market Value Management System* in compliance with relevant laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Several Opinions of the State Council on Strengthening Regulation, Forestalling Risks, and Promoting High-Quality Development of the Capital Market*, the *Administrative Measures for the Disclosure of Information of Listed Companies*, the *No. 10 Guideline for the Supervision of Listed Companies - Market Value Management*, as well as the *Articles of Association* and the Company's operational realities. The system was approved at the 32nd Meeting of the 10th Board of Directors. Detailed information and the full text of the system are available in the relevant announcement disclosed by the Company on Cninfo (<http://www.cninfo.com>) on April 18, 2025.

XIV. Implementation of the Action Plan for "Dual Enhancement of Quality and Return"

Whether the Company discloses its Action Plan for "Dual Enhancement of Quality and Return".

Yes No

The Company has formulated the Action Plan for "Dual Enhancement of Quality and Return" to implement the guiding principles of "Activating the capital market and boosting investors' confidence" put forward by the Political Bureau of the CPC Central Committee, and of "Vigorously improving the quality and investment value of listed companies, taking more powerful and effective measures to stabilize the market and confidence" emphasized at the executive meeting of the State Council. The Plan aims to safeguard the interests of all shareholders, continuously strengthen the Company's core competitiveness and investment value, and achieve high-quality, efficient, and sustainable development. For details, please refer to the *Announcement on Advancing the Implementation of the Action Plan for "Dual Enhancement of Quality and Return"* (Announcement No.: 2024-011) disclosed by the Company on Cninfo (<http://www.cninfo.com>) on March 9, 2024. The progress of the Action Plan is presented as follows:

I. Staying focused on core mission and main lines of business with stable operating performance and efficiency

The Company implemented the Action Plan for "Dual Enhancement of Quality and Return", concentrated on four major business segments: pharmaceutical industry, pharmaceutical distribution, aesthetic medicine, and industrial microbiology. These segments have advanced in a coordinated and in-depth manner, ensuring stable operational performance and efficiency. In 2025, the Company recorded operating revenue of RMB 43.612 billion, representing a year-on-year ("YoY") increase of

4.07%. It reported a net profit attributable to shareholders of the listed company in the amount of RMB 3.414 billion, down 2.78% YoY; net profit attributable to shareholders after deducting non-recurring profit and loss was RMB 3.311 billion, showing a YoY decline of 1.20%.

During the reporting period, the Company maintained stable operations with a consolidated gross profit margin of 32.36%. Net cash flow from operating activities reached RMB 4.246 billion, up 13.25% YoY. As of the end of 2025, the Company's total assets stood at RMB 39.038 billion, and net assets attributable to shareholders of the listed company amounted to RMB 24.811 billion. The asset-liability ratio was 35.52%, and return on equity (ROE) was 14.28%. In 2025, the Company was listed in the Fortune China 500 for the sixteenth consecutive year.

II. Increasing R&D investment to enhance core competitiveness

Adhering to the "research-driven and patient-centered" philosophy, the Company places great emphasis on innovation-driven R&D. In recent years, annual R&D expenditures of the Company have consistently surpassed RMB 1 billion.

During the reporting period, the Company invested RMB 2.982 billion in R&D for pharmaceutical industry segment (excluding equity investments), up 11.36% year-on-year. Direct R&D expenses reached RMB 2.472 billion, up 39.64% year-on-year, accounting for 16.60% of operating revenues of pharmaceutical industry segment. As of now, the Company's Innovative Drug R&D Center is actively advancing 96 innovative drug pipeline projects. Over the past 5 years, it has submitted over 150 innovative drug patents, with 29 patents granted.

In recent years, the Company has placed great emphasis on the protection of intellectual property rights and the application of research outcomes, with both the number of patent applications and grants steadily increasing. The Company has filed a total of over 1900 patent applications domestically and internationally over the years, including more than 580 authorized invention patents. Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Company, is a national intellectual property demonstration enterprise. It passed the external audit by Zhongzhi (Beijing) Certification Co., Ltd. in November 2014 and became one of the first 147 enterprises that passed the standards implementation certification. In October 2025, it smoothly passed the audit of the enterprise intellectual property compliance management system (Certificate No.: 165IP250489R0L). In 2025, the Company's patent application and maintenance endeavors proceeded smoothly. A total of 292 patent applications were filed, including 259 invention patents, and 81 patents were authorized.

III. Improving corporate governance and enhancing standardized operations

In 2025, in compliance with the latest provisions of pertinent laws, regulations, and normative documents, such as the *Company Law of the People's Republic of China*, the *Interim Arrangements*

for the Implementation of Supporting System Rules for the New Company Law issued by the China Securities Regulatory Commission, and the *Guidelines for the Articles of Association of Listed Companies*, and by taking into account the Company's operational and developmental realities, the Company added or revised 27 governance systems, including the *Articles of Association* and relevant rules of procedure. Such efforts facilitated the smooth implementation of reforming the Board of Supervisors, and achieved a seamless transition of supervisory functions from the Board of Supervisors to the Audit Committee of the Board of Directors. The continuously refined institutional framework further clarified the boundaries of powers and responsibilities among governance entities, optimized decision-making processes, strengthened job performance safeguards for independent directors and various specialized committees, aligned the corporate governance system more closely with market-oriented development and standardized operation requirements, provided robust institutional support for the scientific and efficient decision-making of the Company's operations, and effectively safeguarded the legitimate rights and interests of the Company, shareholders, and all stakeholders. Additionally, in 2025, an employee director was elected by the Company's Congress of Workers and Staff, to participate in decision-making on their behalf and safeguard the legitimate rights and interests of employees.

With regard to ESG, the Company maintained an unwavering commitment to sustainable development. A Sustainability (ESG) Committee has been established under the Board of Directors to oversee ESG-related matters. The Company integrates the core ESG principles into corporate development strategy and daily operations management, guiding and innovating business practices with a science-based approach to social responsibility. It upholds the idea of green manufacturing, actively supports China's "carbon neutrality and carbon peaking" goals, operates in strict compliance with laws and regulations with integrity, and actively fulfills its social responsibilities. In 2025, the Company demonstrated outstanding ESG capabilities, leading to a notable upgrade in its ESG rating by WIND from A to AA. Additionally, the Company currently holds a AAA rating under CNI ESG system of the Shenzhen Stock Exchange, an A rating under the CSC ESG system, and an A rating under the China Securities ESG framework. Moreover, it has been honored with several prestigious awards, including the "Best Practice Case for Sustainable Development among Listed Companies in 2025" by the China Association for Public Companies, and the "ESG Best Practice" award by *New Fortune* magazine in 2024.

IV. Prioritizing shareholder returns and sharing development achievements

The Company places strong emphasis on management innovation and strives to enhance its market competitiveness through continuous improvements in operational excellence. Supported by high-quality products, superior commercialization capabilities, compliant and efficient marketing

services, differentiated market positioning, forward-looking innovation-driven R&D layout, and comprehensive talent development, the Company continues to exhibit long-term and resilient growth. Since it was listed, the Company has distributed dividends for 25 times, with a cumulative dividend amount of RMB 8.873 billion, which is 35.49 times the funds raised through its initial public offering (IPO) of RMB 250 million, providing continuous and stable investment returns to shareholders.

According to the *Proposal on the 2025 Profit Distribution Plan of the Company* reviewed and approved at the 6th meeting of the 11th Board of Directors on April 22, 2026, the Company intends to distribute a cash dividend of RMB 5.80 (tax inclusive) per 10 shares to all shareholders based on its existing total share capital of 1,753,736,848.00 shares. No bonus shares were issued and no capital reserves was converted into share capital. It is expected to distribute a total cash dividend of RMB 1,017,167,371.84 (tax inclusive). This matter is subject to review at the Shareholders' Meeting of the Company. Furthermore, the 6th meeting of the 11th Board of Directors reviewed and approved the *Proposal on Requesting the Shareholders' Meeting to Authorize the Board of Directors to Formulate the 2026 Interim Dividend Distribution Plan*. It is proposed to conduct the 2026 interim dividend distribution, if the conditions for interim dividends are met. This matter is also subject to review at the Shareholders' Meeting of the Company.

V. Improving information disclosure and strengthening the communication with investors

The Company consistently prioritizes the quality of information disclosure, and utilizes high-quality, high-standard, and easily understandable disclosures to comprehensively and accurately convey its operational and developmental status to investors. To facilitate understanding of company dynamics among international investors, the Company publishes English versions of its periodic reports, further enhancing its international communication capabilities. Furthermore, the Company continuously innovates in the format of information disclosure, introduces visual tools such as "snapshot reports" to present its operational achievements and development plans in a more intuitive manner, enhancing the practicality and readability of information disclosure. In 2025, the Company continued to strengthen its information disclosure efforts, releasing 182 documents throughout the year and maintaining a record of "zero supplements, zero corrections and zero inquiries".

The Company regarded investor relations management as a vital component of corporate governance. It was committed to establishing smooth and efficient communication channels to continuously enhance interaction quality with the capital market. Through diversified investor communication activities, the Company actively conveyed its operational achievements and

development strategies, effectively safeguarded investors' right to information and strengthened market recognition of the Company's long-term value.

The Company proactively organized specialized activities such as investor Q&A sessions, performance briefing, investor research events, and the "Investor Reception Day", to provide in-depth interpretations of its strategies and financial performance. In 2025, the Company responded to 167 investor inquiries via the Interactive platform (<https://irm.cninfo.com.cn/>) of Shenzhen Stock Exchange, achieving a 100% response rate. Meanwhile, the Company arranged for dedicated personnel to answer investor hotlines and promptly responded to investor concerns through official and investor relations email channels, ensuring unimpeded communication. In 2025, the Company held a total of 5 performance exchange meetings (including 1 performance briefing) and participated in 41 external strategy meetings, showing a significant increase compared to the previous year. Throughout the year, it also organized multiple online and offline research activities, covering institutional investors and analysts. In 2025, the Company continued to host the event of "Investor Reception Days" in an on-site format, attracting 221 institutional and individual investors.

The Company has established a comprehensive new media communication matrix, including WeChat official account, Tongshunhao account, as well as Snowball and East Money corporate accounts. In 2025, the Company flexibly utilized various new media tools to convey the latest developments, such as operational performance, BD project introductions, R&D progress, award information, and interpretations of regular reports, to the capital market and a broad range of investors in a concise and innovative manner. In 2025, the "Official Account of Huadong Medicine Investor Relations Management on WeChat " published 105 news articles, accumulating over 195,000 clicks throughout the year and attracting over 11,800 subscribers. By the end of 2025, Huadong Medicine's official account on the website of Tongshunhao (<https://www.10jqka.com.cn/>) had nearly 1.8 million followers. Since its establishment, Huadong Medicine's official Snowball account has become another important media platform for the Company to engage with investors, with over 6,500 followers. To further expand communication channels with investors, the Company launched its Huadong Medicine official account at Eastmoney.com in July 2025, with stock watchlist engagement exceeding 630,000.

Section IV Corporate Governance, Environment, and Society

I. Overview of corporate governance

During the reporting period, the Company strictly adhered to the provisions of relevant laws, regulations, and normative documents, including the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "*Securities Law*"), the *Governance Guidelines for Listed Companies*, the *Rules for Stock Listing of Shenzhen Stock Exchange*, and the *Basic Standards for Enterprise Internal Control and the Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No.1 - Standardized Operation of Listed Companies on the Main Board*. Aligning with its strategic development goals and with a view to safeguarding the interests of all shareholders, the Company implemented comprehensive internal control and standardized management initiatives, established and improved various internal control systems, strengthened internal management, standardized information disclosure, and improved the corporate governance structure, and effectively protected the shareholders' rights and interests. In accordance with the normative documents on corporate governance issued by the China Securities Regulatory Commission (CSRC), the Company has established a system of rules and regulations that are legitimate, compliant, and tailored to its actual operational needs.

(I) About shareholders and Shareholders' Meeting

The Company strictly complied with the provisions and requirements of the *Company Law* and the *Rules of Procedure for Shareholders' Meeting* to standardize the convening, holding, and voting procedures of Shareholders' Meetings, thereby fully safeguarding the rights to information access and equal participation for all shareholders, particularly middle and minority shareholders. Additionally, the Company engaged legal counsels for on-site witnessing and issuing legal opinions, thereby ensuring the legitimacy of the procedures for convening, holding, and voting at Shareholders' Meetings. During the reporting period, the Company held a total of 3 General Meetings of Shareholders/Shareholders' Meetings, all of which were convened by the Board of Directors. There were no instances where shareholders, individually or collectively holding more than 10% of the Company's shares, requested to convene a Shareholders' Meeting, nor were there any instances where independent directors or the Audit Committee proposed to convene a Shareholders' Meeting. Additionally, no material matters were implemented prior to formal review and approval.

(II) About Directors and the Board of Directors

During the reporting period, members of the Board of Directors performed their duties with integrity, diligence, and a strong sense of responsibility. They actively participated in relevant training, familiarized themselves with relevant laws and regulations, and fully utilized their professional expertise in corporate management, technology research and development, and accounting and auditing to safeguard the overall interests of the Company. The Company's Board of Directors strictly followed the requirements of the *Articles of Association* and the *Rules of Procedure for the Board of Directors* to convene and hold meetings of the Board of Directors, with voting procedures complying with legal and regulatory requirements.

(III) Operation of independent directors and Special Committees of the Board of Directors

During the reporting period, the Company's independent directors fulfilled their duties honestly, diligently, and independently in accordance with the provisions of the *Company Law*, other departmental regulations, normative documents, and detailed institutional rules. They actively paid attention to the legitimate rights and interests of minority shareholders, expressed opinions on relevant matters in accordance with the *Working System for Independent Directors*, effectively safeguarded the interests of the company and shareholders, especially minority shareholders, and played a good supervisory role as independent directors. The Company's Board of Directors established the Strategy Committee, the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Sustainability (ESG) Committee. During the reporting period, each special committee provided professional advice and constructive suggestions for the decision-making of the Board of Directors in terms of investment decisions, financial management, business operations, internal governance, and human resources.

(V) About information disclosure and transparency

The Company placed great emphasis on information disclosure and strictly adhered to the requirements of relevant laws and regulations and its *Information Disclosure Management System*. It discloses information through designated information disclosure media, including *China Securities Journal*, *Securities Times*, *Shanghai Securities News*, and the website of Cninfo (<http://www.cninfo.com.cn>) in a truthful, accurate, complete, and timely manner. This practice ensures investors' right to information and guarantees equitable access to information for all shareholders of the Company. The Company implemented strict confidentiality procedures for non-disclosed major information of the Company, reduced the scope of informed personnel, and kept the information under control.

(VI) About investor relations management

Prioritizing and actively advancing the investor relations management, the Company has established an *Investor Relations Management System*, and designated the chairman of the Company as the primary responsible person for investor relations management affairs. The Secretary of the Board of Directors is responsible for organizing and coordinating investor relations management. The Office of the Board of Directors is a functional department tasked with investor relations management, which is empowered to arrange, organize, and execute initiatives related to investor relations management of the Company. During the reporting period, the Company strengthened its communication with securities regulatory authorities and the Shenzhen Stock Exchange, enhanced engagement with investors through multiple channels, including on-site visits, phone calls, emails, and Interactive platform (<https://irm.cninfo.com.cn/>), to answer their inquiries as much as possible and build a good interactive relationship with investors to ensure effective interaction with investors.

(VII) About stakeholders

The Company fully respected and safeguarded the legitimate rights and interests of stakeholders, including investors, financial institutions, other creditors, employees, customers, and suppliers, and actively cooperated with stakeholders to jointly promote the sustained, stable, and healthy development of the Company.

As of the end of the reporting period, the actual governance status of the Company has been generally in compliance with the regulatory documents on listed company governance issued by the CSRC. The Company will continue to strengthen corporate governance in the future, establish a long-term mechanism for corporate governance, better improve the construction of internal control systems, strengthen implementation efforts, and lay a solid foundation for its sustained, healthy, and steady development.

Whether the actual corporate governance of the Company is significantly different from laws, administrative regulations, and the normative documents on corporate governance issued by the CSRC

Yes No

There is no significant difference between the actual corporate governance and the provisions on corporate governance in laws, administrative regulations, and those issued by the CSRC.

II. The Company's independence in corporate assets, personnel, finance, institutions and business from controlling shareholders and de facto controller

During the reporting period, the Company continuously strengthened its corporate governance structure and implemented standardized operation in accordance with the requirements of regulatory authorities. The Company and its controlling shareholders realized the

separation of management and independent operation in terms of personnel, assets, finance, organizational structure and business.

Category	Whether independent and complete	Note
Independence and completeness in business	Yes	The Company possesses an independent and complete business system and carries out operation with full autonomy. Its business activities are completely independent of its controlling shareholder. Although the subsidiaries of the Company and its controlling shareholders are engaged in pharmaceutical business, pharmaceuticals are categorized as specialized products with distinct customer bases. Therefore, there is no horizontal competition between the Company and the related companies.
Independence and completeness in personnel	Yes	The Company is completely independent in the management of labor, personnel, and salaries, and has an independent Human Resources Department and a sound personnel management system.
Independence and completeness in assets	Yes	The Company has independent production systems, auxiliary production systems, and supporting facilities; independent purchasing and sales systems; independent industrial property rights, trademarks, and non-patented technologies and other intangible assets.
Independence and completeness in organizational structure	Yes	The Company has established a fully-functional Board of Directors, management team, and corresponding management institutions that are independent of the controlling shareholder. Each functional department operates based on the decisions of the Company's management team. There is no superior-subordinate relationship between the functional departments and the controlling shareholder, and the functional departments are not influenced by the controlling shareholder.
Independence and completeness in finance	Yes	The Company's Financial Management Department is responsible for the Company's financial accounting and budget management; and has established and improved financial, accounting, and budget management systems in accordance with relevant laws and regulations, and conducted independent accounting.

Note: The Company is independent in business, assets, organizational structure, finance, and personnel from its main shareholders. There is no horizontal competition. The Company does not face horizontal competition or engage in related party transactions caused by partial restructuring, industry characteristics, national policies or mergers and acquisitions.

III. Horizontal competition

Applicable Not applicable

IV. Information on directors and senior management

1. Basic information

Name	Gender	Age	Position	Position status	Commencement of the term	Termination of the term	Shares held at the beginning of the period (shares)	Shares increased during the current period (shares)	Shares decreased during the current period (shares)	Other changes (shares)	Shares held at the end of the period (shares)	Reasons for changes in shareholding
Lv Liang	Male	51	Director	Incumbent	April 26, 2010	July 16, 2028	200,000	0	0	0	200,000	Not applicable
Lv Liang	Male	51	Chairman	Incumbent	June 6, 2019	July 16, 2028						Not applicable

Lv Liang	Male	51	General Manager	Incumbent	October 26, 2021	July 16, 2028						Not applicable
Kang Wei	Female	57	Director	Incumbent	December 5, 2016	July 16, 2028	0	0	0	0	0	Not applicable
Zhu Feipeng	Male	59	Director	Incumbent	June 1, 2022	July 16, 2028	0	0	0	0	0	Not applicable
Wang Yang	Male	50	Director	Incumbent	July 19, 2023	July 16, 2028	0	0	0	0	0	Not applicable
Qian Yuchen	Male	37	Director	Incumbent	July 16, 2025	July 16, 2028	0	0	0	0	0	Not applicable
Dong Jiabo	Male	56	Director	Incumbent	July 16, 2025	July 16, 2028	0	0	0	0	0	Not applicable
Zhu Liang	Male	48	Director	Incumbent	June 6, 2019	July 16, 2028	30,000	0	0	0	30,000	Not applicable
Huang Jian	Female	57	Independent Director	Incumbent	May 8, 2023	July 16, 2028	0	0	0	0	0	Not applicable
Wang Ruwei	Male	58	Independent Director	Incumbent	June 1, 2022	May 31, 2028	0	0	0	0	0	Not applicable
Xue Lixiang	Female	53	Independent Director	Incumbent	July 16, 2025	July 16, 2028	0	0	0	0	0	Not applicable
Wei Shuzhen	Female	57	Independent Director	Incumbent	July 16, 2025	July 16, 2028	0	0	0	0	0	Not applicable
Ye Bo	Male	37	Director	Departure	June 1, 2022	July 16, 2025	0	0	0	0	0	Not applicable
Gao Xiangdong	Female	62	Independent Director	Departure	June 1, 2022	July 16, 2025	0	0	0	0	0	Not applicable
Wu Hui	Male	56	Deputy General Manager	Incumbent	June 6, 2019	July 16, 2028	150,000	0	45,000	0	105,000	Cancellation of restricted stock under equity incentive
Zhu Li	Female	50	Deputy	Incumbent	October 12,	July 16,	180,000	0	0	0	180,000	Not applicable

			General Manager		2020	2028						ble
Zhang Jianfei	Male	50	Deputy General Manager	Incumbent	June 1, 2022	July 16, 2028	230,000	0	0	0	230,000	Not applicable
Zhang Zhongxing	Male	43	Deputy General Manager	Incumbent	July 16, 2025	July 16, 2028	20,000	0	0	0	20,000	Not applicable
Chen Bo	Male	53	Secretary of the Board of Directors	Incumbent	June 30, 2009	July 16, 2028	100,000	0	0	0	100,000	Not applicable
Qiu Renbo	Male	43	Officer in charge of finance	Incumbent	November 28, 2019	July 16, 2028	100,000	0	0	0	100,000	Not applicable
Total	--	--	--	--	--	--	1,010,000	0	45,000	0	965,000	--

Note: The ages of directors, supervisors, and senior management are calculated in full years based on their respective dates of birth as of the disclosure date of this Report.

Whether any directors or senior management left office during their terms of office in the reporting period.

Yes No

The Company's Board of Directors completed the reelection process on July 16, 2025. Mr. Ye Bo ceased to serve as the director of the Company, and Ms. Gao Xiangdong no longer served as the independent director of the Company.

Changes in directors and senior management of the Company

Applicable Not applicable

Name	Position	Type	Date	Reason
Ye Bo	Director	Departure upon completion of term	July 16, 2025	Reelection
Gao Xiangdong	Independent Director	Departure upon completion of term	July 16, 2025	Reelection
Xue Lixiang	Independent Director	Elected	July 16, 2025	Reelection
Wei Shuzhen	Independent Director	Elected	July 16, 2025	Reelection
Qian Yuchen	Director	Elected	July 16, 2025	Reelection
Dong Jiabo	Director	Elected	July 16, 2025	Reelection
Zhang Zhongxing	Deputy General Manager	Appointed	July 16, 2025	Reelection

2. Positions and incumbency

Professional background, main working experiences and current primary responsibilities of the Company's incumbent directors and senior management

(1) Profile of directors

Chairman: Mr. Lv Liang: Born in 1974, he holds a master's degree. He was the Project Manager of Grand Asset Management Co., Ltd. from July 1997 to July 2001; Deputy General Manager and General Manager of Changshu Leiyunshang Pharmaceutical Co., Ltd. from July 2001 to March 2010; Director and Deputy General Manager of the Company from April 2010 to January 2016; the Director and General Manager of the Company from January 6, 2016 to June 5, 2019. He has served as Chairman of the Company since June 6, 2019. He has concurrently worked as the General Manager of the Company since October 26, 2021.

Director: Ms. Kang Wei: Born in 1968, she holds a master's degree. She previously served as the Manager of the Trade Division, Manager of the Treasury Division and Manager of Financial Management at the Financial Management Division of China Grand Enterprises; Financial Director and Deputy General Manager of Heilongjiang Grand Shopping Center. She currently works as Chief Financial Officer of China Grand Enterprises. She has assumed the office of Director of the Company since December 2016.

Director: Mr. Zhu Feipeng: Born in 1966, he holds a Ph.D. in Cellular Pharmacology. He previously served as the Reviewer, Director of the Third Review Office and Chief Reviewer of respiratory and tumor indications at the Center for Drug Evaluation of National Medical Products Administration. He was the Vice President of Pharmaceutical Management Head Office of China Grand Enterprises, Inc. from March 2021 to June 2023. He has served as the General Manager of Pharmaceutical Strategy Management Head Office of China Grand Enterprises, Inc. since July 2023. He has held the post of the Director of the Company since June 2022.

Director: Mr. Zhu Liang: Born in 1977, he holds a bachelor's degree. He previously served as the Supervisor, Vice Chairman and Chairman of Labor Union in Hangzhou Huadong Medicine Group Co., Ltd. Currently he works as a member of the Party committee and Chairman of the Labor Union of the Company. He has held the post of the Supervisor of the Company from April 2017 to June 2019. He has assumed the office of the Director of the Company since June 2019.

Director: Mr. Wang Yang: Born in October 1975, he holds a Ph.D. in Medicinal Chemistry. He commenced his career in September 2003. He previously served as the postdoctoral researcher at Southampton University, Boston College, and Texas A&M University. He was the R&D Supervisor of Shanghai ChemPartner Co., Ltd.; Assistant Director of BioDuro (Beijing) Co., Ltd.; Senior Reviewer at the Center for Drug Evaluation, NMPA; and Senior Director of InnoCare Pharma Tech Co., Ltd. He acted as the Assistant President and R&D Head of the Pharmaceutical Management Head Office of China Grand Enterprises, Inc. from September 2022 to May 2025. He has held the post of the Assistant President of Grand Pharmaceutical (China) Co., Ltd. since May 2025. He has acted as the Director of the Company since July 2023.

Director: Mr. Qian Yuchen: Born in 1988, he holds a master's degree. He previously served as the Business Manager at Hangzhou Jintou Finance Lease Co., Ltd.; the Investment Manager and Senior Business Manager of the Financial Investment Division at Hangzhou Financial Investment Group Co., Ltd.; Deputy General Manager of Hangzhou HFI Wealth Management Co., Ltd.; Chairman and General Manager of Hangzhou Guoyou Asset Operation Co., Ltd., and Chairman of Hangzhou Turbine Power Group Co., Ltd. He has held the post of the Director of the Asset Management Department at Hangzhou State-owned Capital Investment and Operation Co., Ltd. since December 2023, the Director of Hangzhou Turbine Power Group Co., Ltd. since March 2026, and the Director of Hangzhou Oxygen Plant Group Co., Ltd. since October 2025. He has been the Director of the Company since July 2025.

Director: Mr. Dong Jiabo: Born in 1969, he holds a bachelor's degree. He previously served as the Deputy Director of the Technical Reform Office and Senior Engineer at Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.; the Plant Manager at Esteve Huayi Pharmaceutical Co., Ltd.; the Investment Department Manager at Hangzhou Huadong Medicine Group Co., Ltd.; the Director and General Manager of Hangzhou Huadong Medicine Minsheng Development Co., Ltd.; the Executive Director and General Manager of Hangzhou Tourism Group Co., Ltd.; the Chairman of Hangzhou Wandong Electron Co., Ltd.. He was the Director and Asset Management Department Manager of Hangzhou Guoyou Asset Operation Co., Ltd. from July 2020 to present; the Executive Director of Hangzhou Guoyou Huitong Enterprise Management Co., Ltd. from October 2021 to present; the Executive Director and General Manager of Hangzhou Huadong Medicine Group Co., Ltd. from June 2023 to present; the Director of Hangzhou Biotechnology Pilot Base Co., Ltd. from February 2026 to present. He has been the Director of the Company since July 2025.

Independent Director: Ms. Huang Jian: Born in October 1968, she holds a master's degree and possesses the titles of Certified Public Accountant and Senior Accountant. She previously served as the Senior Partner at RSM China Certified Public Accountants; the Member of the Third, Fourth, and Fifth Issuance Examination Committee for the Growth Enterprise Market of the China Securities Regulatory Commission; the Partner of Ruihua Certified Public Accountants Co., Ltd. (Special General Partnership); the Partner of ShineWing Certified Public Accountants (Special General Partnership) Co., Ltd. She is now the Non-executive Director of Concord New Energy Group Limited and Independent Director of Hygon Information Technology Co., Ltd. She has been Independent Director of the Company since May 8, 2023.

Independent Director: Mr. Wang Ruwei: Born in 1967, he holds a Ph.D. in Medicine from Shimane University in Japan, and possesses the titles of Professor-level Senior Engineer and the Supervisor of PhD candidates (Zhejiang University, Shenyang Pharmaceutical University, Zhejiang Chinese Medical University). He previously served as the Business Vice President of No. 6 Hospital affiliated to Wenzhou Medical University; the Deputy Chairman and President of Zhejiang Conba Pharmaceutical Co., Ltd.; the Deputy Chairman and President of Genor Biopharma Co., Ltd.; the Executive Vice President of Hangzhou Tigermed Consulting Co., Ltd.; the Founding Partner and Managing Director of Hangzhou Tailong Venture Capital Partnership (Limited Partnership); the Independent Director of Zhejiang Longevity Valley Botanical Co., Ltd., among other positions. He has been a member of the Chinese Pharmacopoeia Commission since 2010. He is also a Specially-appointed Researcher of the Chinese Academy of Sciences. He currently holds the post of Special Assistant to the Chairman of Yangtze River Pharmaceutical Group Co., Ltd. He has been Independent Director of the Company since June 2022.

Independent Director: Ms. Xue Lixiang: Born in May 1972, she holds a Ph.D. degree. She previously served as the Lecturer, Associate Professor, and the Supervisor of Master's degree candidates in the Department of Biochemistry at School of Basic Medical Sciences of Peking University, and Associate Professor at the Institute of Medical Innovation of Peking University Third Hospital. Since July 2020, she has acted as the Professor, the Supervisor of PhD candidates, Director of the Basic Medical Research Center, Deputy Director of the Oncology Center, Principal Investigator (PI) at the National Key Laboratory of Vascular Homeostasis and Remodeling, and PI at the Beijing Key Laboratory of Medical-X Collaborative Innovation for Gastrointestinal Tumors at the Institute of Medical Innovation of Peking University Third Hospital. She has been the Independent Director of the Company since July 2025.

Independent Director: Ms. Wei Shuzhen: Born in June 1968, she holds a bachelor's degree and is a Certified Public Accountant. She previously served as the Head of Guangzhou Rongcheng Certified Public Accountants Co., Ltd., and the Department Manager and Deputy General Manager at Guangdong Branch of Beijing Yongtuo Certified Public Accountants Co., Ltd. Since December 2011, she has been a Partner and Head of the Guangdong Branch of Zhongxi CPAs. She has been the Independent Director of the Company since July 2025.

(2) Biographies of senior management

Deputy General Manager: Mr. Wu Hui: Born in April 1969, he holds a master's degree and is a Professor-level Senior Engineer. He joined the Company in July 1991, and served as the Technician, Workshop Director and Chief Engineer of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. He has been the Deputy General Manager of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. since 2015, the Deputy General Manager of Huadong Medicine Co., Ltd. since June 2019, and the General Manager of the Industrial Microbiology Division of the Company since August 2021.

Deputy General Manager: Ms. Zhu Li: Born in 1975, she holds a master's degree and is an Accountant and Senior Economist. She has joined Huadong Pharmaceutical Distribution Company since August 1997. She took multiple positions successively, including the Accountant, Deputy Manager and Manager of the Chinese Patent Medicine Branch, and Deputy Director and Director of the Procurement and Management Department for Chinese and Western Medicine. From September 2019 to September 2020, she served as the Deputy General Manager of Huadong Pharmaceutical Distribution Company (responsible for the overall work). She assumed the office of the Deputy General Manager (overseeing commercial matters) of the Company and concurrently served as the General Manager of Huadong Pharmaceutical Distribution Company since October 2020.

Deputy General Manager: Mr. Zhang Jianfei: Born in April 1975, he holds a bachelor's degree. He served as the Sales Representative/Supervisor, Wuhan Regional Manager, Director of the Second Sales and Management Department of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., and General Manager and Director of the Second Pharmaceutical Service Management Department of Hubei Pharmaceutical Service Co., Ltd. He has been Deputy General Manager of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. since December 2020. He has been the Company's Deputy General Manager since June 2022.

Deputy General Manager: Mr. Zhang Zhongxing: Born in September 1982, he holds a master's degree. He formerly acted as the visiting scholar at the Gapminder Foundation of Karolinska Institute in Sweden; Operation Manager at Shanghai Huasitai Medical Consulting Co., Ltd.; Senior Medical Manager at GlaxoSmithKline (China) Investment Co., Ltd.; Medical Director at McCann Erickson Advertising Co., Ltd.; Chief Medical Officer of the Dermatology and Aesthetics Division at L'Oréal (China) Co., Ltd.; Deputy General Manager of the Innovative Drug R&D Center at Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.. He has been the Chief Medical Officer of Sinclair (Shanghai) Medical Technology Co., Ltd. since March 2023. He has assumed the office of the Deputy General Manager of the Company since July 2025.

Secretary of the Board of Directors: Mr. Chen Bo: Born in 1972, he holds a master's degree and is an economist. He joined the Company in 2002 and has since served successively as an Investment Specialist, then Deputy Manager of the Financing Department, and subsequently Manager of the Investment and Financing Department. He has been Secretary of the Board of Directors of the Company since June 2009.

Officer in charge of finance: Mr. Qiu Renbo: Born in 1982, he holds a master's degree. He served as a Specialist in the Financial Management Headquarters and Chief of the Finance Section of the Manufacturing Branch of the Company from August 2004 to July 2010; then as Manager of the Financial Department of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. from August 2010 to April 2015; and then as Chief Financial Officer of Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. from May 2015 to November 2019. He has been the Officer in charge of finance of the Company since December 2019.

Circumstances where the controlling shareholder or de facto controller concurrently serves as the Chairman and General Manager of the listed company

Applicable Not applicable

Position in shareholding entities

☑Applicable ☐Not applicable

Name of employee	Name of shareholding entity	Position held in the shareholding entity	Commencement of the term	Termination of the term	Whether remuneration or allowances are received from the shareholding entity
Wang Yang	China Grand Enterprises, Inc.	Assistant President and R&D Head of the Pharmaceutical Management Head Office	September 1, 2022	May 27, 2025	No
Zhu Feipeng	China Grand Enterprises, Inc.	General Manager of Pharmaceutical Strategy Management Head Office	March 1, 2021	To date	Yes
Kang Wei	China Grand Enterprises, Inc.	Chief Financial Officer	February 1, 2010	To date	Yes
Dong Jiabo	Hangzhou Huadong Medicine Group Co., Ltd.	Executive Director and General Manager	June 27, 2023	To date	No
Explanation of positions held in the shareholding entity	None				

Positions held in other entities

☑Applicable ☐Not applicable

Name of employee	Name of other entities	Position held in other entities	Commencement of the term	Termination of the term	Whether remuneration or allowance is received from other entities
Wang Yang	Grand Pharmaceutical (China) Co., Ltd.	Assistant President	May 27, 2025	To date	Yes
Zhu Feipeng	Lei Yunshang Pharmaceutical Group Co., Ltd.	Director	May 1, 2022	To date	No
Kang Wei	Lei Yunshang Pharmaceutical Group Co., Ltd. and other subsidiaries controlled by Grand Enterprises	Director	/	To date	No
Wang Ruwei	Hangzhou Institute of Medicine, Chinese Academy of Sciences	Distinguished Research Fellow	February 1, 2023	To date	No
Wang Ruwei	Zhejiang Longevity Valley Botanical Co., Ltd.	Independent Director	May 1, 2021	May 14, 2025	Yes
Wang Ruwei	Yangtze River	Special Assistant	April 15, 2024	To date	Yes

	Pharmaceutical Group Co., Ltd.	to the Chairman			
Huang Jian	Concord New Energy Group Limited	Non-Executive Director	December 1, 2012	To date	Yes
Huang Jian	Hygon Information Technology Co., Ltd.	Independent Director	September 1, 2020	To date	Yes
Wei Shuzhen	Zhongxi CPAs (Special General Partnership)	Partner and Head of Guangdong Branch	December 30, 2011	To date	Yes
Xue Lixiang	Peking University Third Hospital	Professor, the Supervisor of PhD candidates, Director of the Basic Medical Research Center, Deputy Director of the Oncology Center, Principal Investigator (PI) at the National Key Laboratory of Vascular Homeostasis and Remodeling, and PI at the Beijing Key Laboratory of Medical-X Collaborative Innovation for Gastrointestinal Tumors at the Institute of Medical Innovation of Peking University Third Hospital	July 31, 2020	To date	Yes
Qian Yuchen	Hangzhou State-owned Capital Investment and Operation Co., Ltd.	Director of Asset Management Department	December 28, 2023	To date	Yes
Qian Yuchen	Hangzhou Turbine Power Group Co., Ltd.	Director	March 16, 2026	To date	No
Qian Yuchen	Hangzhou Oxygen Plant Group Co., Ltd.	Director	October 10, 2025	To date	No
Qian Yuchen	Hangzhou Guoyou Asset Operation Co., Ltd.	Chairman and General Manager	April 17, 2024	September 18, 2025	No
Qian Yuchen	Hangzhou Turbine Power Group Co., Ltd.	Chairman	May 15, 2024	March 16, 2026	No
Dong Jiabo	Hangzhou Guoyou	Director and	July 1, 2020	To date	Yes

	Asset Operation Co., Ltd.	Manager of Asset Management Department			
Dong Jiabo	Hangzhou Guoyou Huitong Enterprise Management Co., Ltd.	Executive Director	October 22, 2021	To date	No
Dong Jiabo	Hangzhou Biotechnology Pilot Base Co., Ltd.	Director	February 14, 2026	To date	No
Dong Jiabo	Hangzhou Wandong Electron Co., Ltd.	Chairman	April 29, 2024	September 22, 2025	No
Explanation of positions held in other entities	None				

Incumbent and off-office directors, and senior management during the reporting period that have been imposed administrative penalties by the securities regulator during the last three years.

Applicable Not applicable

3. Remuneration of directors and senior management

Decision-making procedure, determination basis and actual remuneration for directors and senior management

The director allowance scheme for the 10th Board of Directors of the Company came into effect on June 1, 2022, after being reviewed and approved by the Company's General Meeting of Shareholders. The director allowance scheme for the Company's 11th Board of Directors came into effect on July 16, 2025, following the approval by the Company's General Meeting of Shareholders. Non-independent directors who hold management positions or are in charge of specific business segments within the Company shall be paid according to the business they are in charge of or position they hold, and such persons do not receive allowance for non-independent directors separately; Independent directors receive an annual allowance for independent director in the amount of RMB 100,000 (pre-tax) from the Company; non-independent directors who do not hold management positions or oversee specific business segments within the Company receive an annual allowance for non-independent director in the amount of RMB 30,000 (pre-tax) from the Company.

The remuneration assessment scheme for senior management shall be implemented upon the resolution of the 32nd meeting of the Company's 10th Board of Directors.

The Company has paid remunerations to the 10th Board of Directors, and the 11th Board of Directors, and senior management.

Remuneration of directors and senior management during the reporting period

Unit: RMB 10,000

Name	Gender	Age	Position	Position status	Total pre-tax remuneration	Receive remuneration
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					received from the Company	from related parties of the Company or not
Lv Liang	Male	51	Chairman, General Manager	Incumbent	280.4	No
Kang Wei	Female	57	Director	Incumbent	3	Yes
Zhu Feipeng	Male	59	Director	Incumbent	3	Yes
Wang Yang	Male	50	Director	Incumbent	3	Yes
Qian Yuchen	Male	37	Director	Incumbent	1.39	No
Dong Jiabo	Male	56	Director	Incumbent	1.39	No
Zhu Liang	Male	48	Director	Incumbent	69.7	No
Huang Jian	Female	57	Independent Director	Incumbent	10	No
Wang Ruwei	Male	58	Independent Director	Incumbent	10	No
Xue Lixiang	Female	53	Independent Director	Incumbent	4.63	No
Wei Shuzhen	Female	57	Independent Director	Incumbent	4.63	No
Ye Bo	Male	37	Director	Departure	1.62	No
Gao Xiangdong	Female	62	Independent Director	Departure	5.4	No
Wu Hui	Male	56	Deputy General Manager	Incumbent	153.9	No
Zhu Li	Female	50	Deputy General Manager	Incumbent	153.9	No
Zhang Jianfei	Male	50	Deputy General Manager	Incumbent	163.9	No
Zhang Zhongxing	Male	43	Deputy General Manager	Incumbent	131	No
Chen Bo	Male	53	Secretary of the Board of Directors	Incumbent	143.8	No
Qiu Renbo	Male	43	Officer in charge of finance	Incumbent	143.8	No
Total	--	--	--	--	1,288.46	--

Assessment basis for actual remuneration received by all directors and senior management at the end of the reporting period	The remuneration of the Company's directors and senior management is determined in accordance with the Company's relevant remuneration management system.
Assessment completion status of actual remuneration received by all directors and senior management at the end of the reporting period	For 2025, the allowances received by independent directors and non-independent directors who do not hold management positions or oversee specific business segments within the Company are exempt from performance assessment. Non-independent directors and senior management, who hold management responsibilities or oversee specific business segments within the Company, receive corresponding remuneration in accordance with the Company's performance assessment regulations. Performance assessments are reviewed, determined and effectively implemented in accordance with the Company's specific systems.
Deferred payment arrangements for actual remuneration received by all directors and senior management at the end of	For 2025, the allowances received by independent directors and non-independent directors who do not hold management

the reporting period	positions or oversee specific business segments within the Company are not subject to deferred payment mechanisms. Annual performance-based bonuses for non-independent directors and senior management who hold managerial responsibilities or oversee specific business segments are subject to deferred payment mechanisms.
Status of suspension and clawback of actual remuneration received by all directors and senior management at the end of the reporting period	Not applicable

Other explanatory notes

Applicable Not applicable

V. Performance of directors' duties during the reporting period

1. Attendance of directors at meetings of the Board of Directors and Shareholders' Meetings

Directors' attendance at meetings of the Board of Directors and Shareholders' Meeting							
Director Name	Number of meetings of the Board of Directors to be attended during the reporting period	Number of meetings of the Board of Directors attended in person	Number of meetings of the Board of Directors attended via communication means	Number of meetings of the Board of Directors attended by proxy	Number of absences from meetings of the Board of Directors	Whether fail to attend two consecutive meetings of the Board of Directors in person	Times of attendance of Shareholders' Meeting
Lv Liang	8	8	0	0	0	No	3
Kang Wei	8	1	7	0	0	No	3
Zhu Feipeng	8	1	7	0	0	No	3
Wang Yang	8	1	7	0	0	No	3
Qian Yuchen	5	0	5	0	0	No	1
Dong Jiabo	5	1	4	0	0	No	1
Zhu Liang	8	8	0	0	0	No	3
Huang Jian	8	1	7	0	0	No	3
Wang Ruwei	8	1	7	0	0	No	3
Xue Lixiang	5	0	5	0	0	No	1
Wei Shuzhen	5	0	5	0	0	No	1
Ye Bo	3	1	2	0	0	No	2
Gao Xiangdong	3	1	2	0	0	No	2

Note on failure to attend two consecutive meetings of the Board of Directors in person

Not applicable

2. Objections from directors on relevant issues of the Company

Whether directors have raised any objection to relevant issues of the Company

Yes No

No objections were raised by directors to company-related matters during the reporting period.

3. Other details about the performance of duties by directors

Whether directors' suggestions regarding the Company were adopted

Yes No

Note on adoption or non-adoption of directors' suggestions by the Company

During the reporting period, all directors of the Company conscientiously fulfilled their obligations and exercised their powers, strictly implemented resolutions of the Shareholders' Meeting, and actively carried out various work of the Board of Directors in strict compliance with relevant laws, regulations, normative documents, the Company's *Articles of Association*, and the *Rules of Procedure for the Board of Directors*. They also conscientiously reviewed various proposals of the Board of Directors, exercised their voting rights in accordance with the law, actively participated in the Company's governance and decision-making activities, and continuously standardized the Company's governance; with a responsible attitude towards the Company and all shareholders, independent directors fulfilled their duties and obligations diligently and faithfully, carefully deliberated various proposals of the Board of Directors, and expressed objective opinions on the relevant matters under review based on an independent stance, actively promoted the standardized operation of the Board of Directors and the improvement of the Company's governance level, and safeguarded the interests of the Company and all investors. All suggestions above have been adopted by the Company.

VI. Performance of special committees under the Board of Directors during the reporting period

Committee name	Members	Number of meetings	Convening date	Meeting contents	Important comments and suggestions	Other performance of duties	Details of objection (if any)
The 1st session of the Audit Committee of the 10th Board of Directors in 2025	Huang Jian, Kang Wei, Wang Ruwei	8	April 3, 2025	The Audit Committee, along with some senior management of the Company, communicated with the certified public accountants and project managers who are responsible for the	The annual audit was carried out as planned and no major problems were found.	None	None

				Company's audit work during the execution phase. They exchanged views and discussed significant matters identified in the audit of the Company's 2024 Annual Report with the Audit Committee.			
The 2nd session of the Audit Committee of the 10th Board of Directors in 2025	Huang Jian, Kang Wei, Wang Ruwei	8	April 15, 2025	The Audit Committee, along with some senior management of the Company, communicated with the certified public accountants and project managers who are responsible for the Company's audit work during the completion phase. They exchanged views and discussed the audit completion of the 2024 Annual Report with the Audit Committee.	The annual audit was carried out as planned and no major problems were found.	None	None
The 3rd session of the Audit Committee of the 10th Board of Directors in 2025	Huang Jian, Kang Wei, Wang Ruwei	8	April 15, 2025	1. <i>Proposal on the Company's "2024 Final Financial Accounts Report"</i> ; 2. <i>Proposal</i>	The Company's internal audit work was carried out in an orderly manner as planned, and	None	None

				<p>on the Company's "2025 Financial Budget Report";</p> <p>3. Proposal on the Company's "2024 Annual Report and its Abstract";</p> <p>4. Proposal on the Company's 2024 Self-assessment Report on Internal Control;</p> <p>5. Proposal on the Company's "2024 Profit Distribution Plan";</p> <p>6. Proposal on the Reappointment of the Accounting Firm;</p> <p>7. Proposal on Providing Guarantees for Subsidiaries in 2025;</p> <p>8. Proposal on the Estimated Daily Related Party Transactions in 2025;</p> <p>9. Proposal on the "2024 Evaluation Report on the Performance of the Accounting Firm";</p> <p>10. Proposal on the "Report on</p>	<p>no major problems were found. All proposals were approved after review.</p>		
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				<p><i>the Performance of Supervisory Duties by the Audit Committee of the Board of Directors over Accounting Firms in 2024";</i></p> <p><i>11. Proposal on Changes in Accounting Policies;</i></p> <p><i>12. Proposal on the 2024 Work Summary of the Company's Internal Audit Department;</i></p> <p><i>13. Proposal on the 2025 Work Plan of the Company's Internal Audit Department.</i></p>			
<p>The 4th session of the Audit Committee of the 10th Board of Directors in 2025</p>	<p>Huang Jian, Kang Wei, Wang Ruwei</p>	8	April 24, 2025	<p><i>1. Proposal on the Company's "First Quarterly Report 2025";</i></p> <p><i>2. Proposal on the Work Summary of the Company's Internal Audit Department in Q1 2025;</i></p> <p><i>3. Proposal on the Work Plan of the Company's Internal Audit Department</i></p>	<p>The Company's internal audit work was carried out in an orderly manner as planned, and no major problems were found. All proposals were approved after review.</p>	None	None

				<i>in Q2 2025</i>			
The 5th session of the Audit Committee of the 10th Board of Directors in 2025	Huang Jian, Kang Wei, Wang Ruwei	8	June 27, 2025	<p>1. <i>Proposal on the Revision of the "Rules of Procedure for the Audit Committee of the Board of Directors";</i></p> <p>2. <i>Proposal on the Revision of the "External Guarantee Management System";</i></p> <p>3. <i>Proposal on the Revision of the "Related Party Transaction Management System";</i></p> <p>4. <i>Proposal on the Revision of the "External Investment Management System";</i></p> <p>5. <i>Proposal on the Revision of the "Management System for Securities Investment, Futures, and Derivatives Transactions";</i></p> <p>6. <i>Proposal on the Revision of the "Management System for Changes in Accounting Policies and Estimates and Corrections of Accounting</i></p>	All proposals were approved after review.	None	None

				<p><i>Errors";</i> <i>7. Proposal on the Revision of the "Accounting Firm Selection and Appointment System";</i> <i>8. Proposal on the Addition of the "Anti-Corruption and Anti-Fraud System";</i> <i>9. Proposal on the Addition of the "Responsible Marketing Policy".</i></p>			
The 1st session of the Audit Committee of the 11th Board of Directors in 2025	Huang Jian, Kang Wei, Wei Shuzhen	8	July 16, 2025	<p><i>Proposal on the Appointment of the Company's Officer in Charge of Finance</i></p>	The proposal was approved after review.	None	None
The 2nd session of the Audit Committee of the 11th Board of Directors in 2025	Huang Jian, Kang Wei, Wei Shuzhen	8	August 18, 2025	<p><i>1. Proposal on the Work Summary of the Company's Internal Audit Department in Q2 2025;</i> <i>2. Proposal on the Work Plan of the Company's Internal Audit Department in Q3 2025;</i> <i>3. Proposal on the Company's "2025 Semi-annual Report and its Abstract";</i> <i>4. Proposal</i></p>	The Company's internal audit work was carried out in an orderly manner as planned, and no major problems were found. All proposals were approved after review.	None	None

				<p><i>on the Company's "2025 Semi-annual Profit Distribution Plan";</i></p> <p><i>5. Proposal on Engaging in Hedging-Related Financial Derivatives Transaction</i></p>			
<p>The 3rd session of the Audit Committee of the 11th Board of Directors in 2025</p>	<p>Huang Jian, Kang Wei, Wei Shuzhen</p>	8	<p>October 27, 2025</p>	<p><i>1. Proposal on the Company's "Third Quarterly Report 2025";</i></p> <p><i>2. Proposal on the Revision of the Internal Audit Management System;</i></p> <p><i>3. Proposal on the Work Summary of the Company's Internal Audit Department in Q3 2025;</i></p> <p><i>4. Proposal on the Work Plan of the Company's Internal Audit Department in Q4 2025;</i></p>	<p>The Company's internal audit work was carried out in an orderly manner as planned, and no major problems were found. All proposals were approved after review.</p>	None	None
<p>The 1st session of the Nomination Committee of the 10th Board of Directors in 2025</p>	<p>Huang Jian, Kang Wei, Gao Xiangdong</p>	2	<p>June 27, 2025</p>	<p><i>1. Proposal on the Revision of the "Rules of Procedure for the Nomination Committee of the Board of Directors";</i></p> <p><i>2. Proposal on the General Election of</i></p>	<p>All proposals were approved after review</p>	None	None

				<p><i>the Company's Board of Directors and the Nomination of Non-Independent Director Candidates for the 11th Board of Directors;</i></p> <p><i>3. Proposal on the General Election of the Company's Board of Directors and the Nomination of Independent Director Candidates for the 11th Board of Directors.</i></p>			
<p>The 1st session of the Nomination Committee of the 11th Board of Directors in 2025</p>	<p>Huang Jian, Kang Wei, Wang Ruwei</p>	2	July 16, 2025	<p><i>1. Proposal on the Appointment of the Company's General Manager;</i></p> <p><i>2. Proposal on the Appointment of the Company's Deputy General Managers;</i></p> <p><i>3. Proposal on the Appointment of the Secretary of the Board of Directors of the Company;</i></p> <p><i>4. Proposal on the Appointment of the</i></p>	<p>All proposals were approved after review</p>	None	None

				<i>Company's Officer in Charge of Finance;</i> <i>5. Proposal on the Appointment of the Company's Securities Affairs Representative.</i>			
The 1st session of the Remuneration and Appraisal Committee of the 10th Board of Directors in 2025	Wang Ruwei, Lv Liang, Gao Xiangdong	4	April 15, 2025	<i>Proposal on the Confirmation of the 2024 Remuneration for the Company's Senior Management and the Formulation of the 2025 Remuneration Assessment Scheme</i>	The proposal was approved after review	None	None
The 2nd session of the Remuneration and Appraisal Committee of the 10th Board of Directors in 2025	Wang Ruwei, Lv Liang, Gao Xiangdong	4	June 27, 2025	<i>1. Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022;</i> <i>2. Proposal on Repurchase and Cancellation of Certain Restricted Stocks and Reduction of the Company's Registered Capital;</i> <i>3. Proposal on Amending the "Rules of Procedure for Remuneration and Appraisal"</i>	All proposals were approved after review	None	None

				<i>Committee of the Board of Directors";</i> <i>4. Proposal on the Allowance Scheme for Directors of the 11th Board of Directors of the Company.</i>			
The 1st session of the Remuneration and Appraisal Committee of the 11th Board of Directors in 2025	Wang Ruwei, Wei Shuzhen, Xue Lixiang	4	October 13, 2025	<i>Proposal on the Fulfillment of Conditions for the Second Restriction Release Period of Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022</i>	All proposals were approved after review	None	None
The 2nd session of the Remuneration and Appraisal Committee of the 11th Board of Directors in 2025	Wang Ruwei, Wei Shuzhen, Xue Lixiang	4	November 20, 2025	<i>1. Proposal on the Fulfillment of the Release Conditions during the Third Restriction Release Period for First Grant of Reserved Restricted Stocks under the Restricted Stock Incentive Plan in 2022;</i> <i>2. Proposal on Adjusting the Repurchase Price of the Restricted Stock</i>	All proposals were approved after review	None	None

				<i>Incentive Plan in 2022;</i> <i>3. Proposal on Repurchase and Cancellation of Certain Restricted Stocks</i>			
The 1st session of the Strategy Committee of the 10th Board of Directors in 2025	Lv Liang, Wang Yang, Wang Ruwei	2	June 27, 2025	<i>Proposal on the Revision of the "Rules of Procedure for the Strategy Committee of the Board of Directors"</i>	The proposal was approved after review	None	None
The 1st session of the Strategy Committee of the 11th Board of Directors in 2025	Lv Liang, Zhu Feipeng, Wang Ruwei	2	August 18, 2025	<i>Proposal on the Establishment of a Specialized Pharmaceutical Industry Investment Fund in Collaboration with Professional Investment Institutions and Related Party Transactions</i>	The proposal was approved after review	None	None
The 1st session of the Sustainability (ESG) Committee of the 10th Board of Directors in 2025	Zhu Feipeng, Ye Bo, Gao Xiangdong	2	April 15, 2025	<i>Proposal on the Company's "2024 Environmental, Social, and Governance (ESG) Report"</i>	The proposal was approved after review	None	None
The 2nd session of the Sustainability (ESG) Committee of the 10th Board of Directors in 2025	Zhu Feipeng, Ye Bo, Gao Xiangdong	2	June 27, 2025	<i>Proposal on the Revision of the "Rules of Procedure for the Sustainability (ESG) Committee of the Board of Directors"</i>	The proposal was approved after review	None	None

VII. Work of the Audit Committee

Whether the Audit Committee identify any risks in the Company during its oversight activities during the reporting period

Yes No

The Audit Committee raised no objections to the oversight matters during the reporting period.

VIII. Employees of the Company

1. Number of employees, expertise structure and educational background

Number of incumbent employees in the parent company at the end of the reporting period (person)	1,039
Number of incumbent employees in major subsidiaries at the end of the reporting period (person)	18,056
Total number of incumbent employees at the end of the reporting period (person)	19,095
Total number of employees receiving remuneration in the current period (person)	19,095
Number of retired employees requiring the parent company and its subsidiaries to bear costs (person)	0
Expertise structure	
Expertise category	Number (person)
Production personnel	1,411
Sales personnel	12,479
Technical personnel	3,162
Financial personnel	226
Administrative personnel	1,425
Storage and transportation personnel	392
Total	19,095
Educational background	
Category of educational background	Number (person)
Master's degree or above	1,839
Bachelor's degree	9,663
Junior college and technical secondary school	6,352
Below technical secondary school	729
Others not disclosed	512
Total	19,095

Note: "Others not disclosed" refer to the fact that the information of employees in overseas subsidiaries has not been disclosed due to privacy protection policies and other factors.

2. Remuneration policy

Aligned with the Company's strategic development planning and talent strategy, the Company has built a market-oriented and differentiated remuneration system, and established a flexible and diversified incentive mechanism. These efforts aim to foster a talent team consisting of younger,

more professional and globally competitive personnel. By upgrading and optimizing the employee structure, the Company drives continuous innovation and value creation, enabling both the employees themselves and the Company to achieve sustainable development and strategic goals.

3. Training plan

Adherence to self-cultivation of talents is a crucial cornerstone for the Company's long-term development. Over the years, the Company has remained committed to establishing a diversified and multi-tiered talent cultivation system, placing talent development at the core of Huadong Medicine's transformation. In 2025, the Company continued to advance key programs—including the Leadership Program, onboarding training for new employees, the Starter Program, high-potential talent development initiatives, and professional talent cultivation programs—to further reinforce the Company's talent pipeline.

The Company offered professional onboarding training and full-process probation-period management for new employees to support their smooth integration into the Company.

Fresh graduates represent an important source of young talents. Through the "Starter Program", the Company supported new graduates in making a swift transition into their roles, fostering sound professional conduct, and gaining a deeper understanding of the Company's culture. By adopting a comprehensive training model—including intensive onboarding courses, selection and rotation mechanisms, performance assessments, and hands-on practice—this Program accelerated the development of young talents.

In terms of strengthening managerial competencies, the Company adopted a hierarchical and classified approach, emphasized the structured and tiered talent team development, paid attention to the cultivation and development of its core and key management personnel, and continuously improved its internal talent "self-renewal" mechanism.

With respect to enhancing business capabilities, the Company regularly reviewed and developed talents across R&D, quality, manufacturing, sales, and other business segments to meet the evolving demands of its long-term development and internationalization strategy.

In terms of improving professional competencies, the Company advanced the standardization of job requirements, institutionalized onboarding and refresher training systems, and adopted a blended "learning-through-practice" model. These initiatives help rapidly strengthen employee skillsets, optimize business processes, and improve operational efficiency.

Regarding the development of a digital training platform, the Company gradually enriched course offerings across various business domains. It is committed to building a systematic and

comprehensive learning ecosystem. Through personalized course training on the digital platform, the Company helped employees participate in training and learning conveniently and effectively, thereby enhancing their job competencies.

4. Labor outsourcing

Applicable Not applicable

IX. Profit distribution and increase of share capital by capital reserve conversion

Formulation, implementation, or adjustment of profit distribution policies, especially cash dividend policies, during the reporting period

Applicable Not applicable

During the reporting period, the Company strictly reviewed and implemented its profit distribution plans in accordance with the relevant profit distribution policies mentioned in the *Articles of Association*. The criteria and proportion of dividends were clearly defined, supported by sound decision-making procedures and complete mechanism. The approved profit distribution plans were implemented within the stipulated timelines, safeguarding the interests of all shareholders. During the reporting period, the Company did not make any changes to its profit distribution policies.

1. On May 15, 2025, the Company convened the 2024 Annual General Meeting of Shareholders, on which the *Proposal on the Company's "2024 Profit Distribution Plan"* was reviewed and approved. The specific plan was as follows: Based on the Company's existing total share capital of 1,754,077,048 shares, the Company allocated RMB 5.8 (tax inclusive) in cash for every 10 shares held by shareholders. No bonus shares would be distributed, and no capital reserves would be converted into share capital. The total cash dividends distributed would be RMB 1,017,364,687.84 (tax inclusive). On May 28, 2025, the Company disclosed the *Announcement on Implementation of 2024 Annual Equity Distribution*, announcing that the annual equity distribution in 2024 had been completed.

2. On August 18, 2025, the Company convened the 2nd meeting of the 11th Board of Directors, on which the *Proposal on the Company's "2025 Semi-Annual Profit Distribution Plan"* was reviewed and approved. The specific plan was as follows: Based on the Company's existing total share capital of 1,754,077,048.00 shares, the Company allocated RMB 3.50 (tax inclusive) in cash for every 10 shares held by shareholders. No bonus shares would be distributed, and no

capital reserves would be converted into share capital. The total cash dividends distributed would be RMB 613,907,366.80 (tax inclusive). This 2025 Semi-Annual Profit Distribution Plan falls within the scope authorized by the Board of Directors in the resolution of the 2024 Annual General Meeting of Shareholders, and does not need to be submitted to the shareholders' meeting for review and approval. On September 12, 2025, the Company disclosed the *Announcement on Implementation of 2025 Semi-annual Equity Distribution*, announcing that the semi-annual equity distribution in 2025 had been completed.

During the reporting period, the decision-making procedures for the implementation of the Company's profit distribution plans were well-established and complete. Dividend criteria and payout ratios were clearly defined, and the entire process complied with the requirements of the *Articles of Association* as well as the resolutions adopted at the General Meeting of Shareholders.

Special note on cash dividend policy	
Whether it complied with the Articles of Association and resolutions of the Shareholders' Meeting:	Yes
Whether the criteria and payout ratios of dividends were clearly defined:	Yes
Whether the decision-making process and mechanism was well-established:	Yes
Whether independent directors fulfilled their duties and played their due role:	Yes
Specific reasons and measures to be taken in the next step to increase investor returns, if the Company does not pay cash dividends:	Not applicable
Whether minority shareholders could express their opinions and requirements, and whether their legitimate rights and interests were fully protected:	Yes
Whether conditions and process were conforming and transparent if the cash dividend policy was adjusted or changed:	Not applicable

During the reporting period, the Company made profits and the profit available to shareholders of the parent company was positive, but no cash dividend distribution plan was proposed.

Applicable Not applicable

Profit distribution and conversion of capital reserve into share capital during the reporting period

Applicable Not applicable

Number of bonus shares issued per 10 shares (shares)	0
Dividend distribution per 10 shares (RMB) (tax inclusive)	5.80
Share capital base for distribution plan (shares)	1,753,736,848.00
Amount of cash dividends (RMB) (tax inclusive)	1,017,167,371.84
Amount of cash dividends in other ways (e.g. share repurchase) (RMB)	0.00

Total amount of cash dividends (including other ways) (RMB)	1,017,167,371.84
Distributable profits (RMB)	6,415,013,556.84
Proportion of total cash dividends (including other ways) to total profit distribution	100%
Current situation of cash dividends	
For companies at a mature stage of development with significant capital expenditure plans, the cash dividends payout ratio shall account for no less than 40% in the current profit distribution.	
Detailed description of the profit distribution or plan for conversion of capital reserve into share capital	
The Company's distribution plan for 2025 is as follows: Based on the Company's existing total share capital of 1,753,736,848.00 shares, the Company allocated RMB 5.80 (tax inclusive) in cash for every 10 shares held by shareholders. No bonus shares would be distributed, and no capital reserves would be converted into share capital. The total cash dividend will be RMB 1,017,167,371.84 (tax inclusive), and the remaining undistributed profits will be carried forward to subsequent annual distribution. If the total share capital of the Company changes before the implementation of this profit distribution plan, the distribution ratio per share will be adjusted on the principle of maintaining the total distribution amount unchanged.	

X. Implementation of the Company's equity incentive plan, employee stock ownership plan or other employee incentive measures

Applicable Not applicable

1. Equity incentive

(1) On August 8, 2022, the Company convened the 2nd Meeting of the 10th Board of Directors and the 2nd Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: the *Proposal on the Company's Restricted Stock Incentive Plan in 2022 (Draft) and Its Abstract*, the *Proposal on Management Rules for the Implementation and Assessment of the Company's Restricted Stock Incentive Plan in 2022*, the *Proposal on the Management Rules of the Company's Restricted Stock Incentive Plan in 2022*, and the *Proposal on Applying to the General Meeting of Shareholders for Authorizing the Board of Directors to Handle Equity Incentive-related Matters*. Independent directors provided their independent opinions on whether this incentive plan is conducive to the Company's sustainable development and whether it may harm the interests of the Company and all shareholders. For specific details, please refer to the relevant announcement published by the Company on CNINFO on August 10, 2022.

(2) On August 10, 2022, the Company disclosed the *Announcement on Independent Directors Publicly Soliciting Proxy Voting Rights* on Cninfo (<http://www.cninfo.com.cn>). Mr. Wang Ruwei, an Independent Director of the Company, acting as the convener and commissioned by other independent directors, publicly solicited proxy voting rights from all shareholders of the Company for the proposals related to the Restricted Stock Incentive Plan in 2022 reviewed at the 1st Extraordinary General Meeting of Shareholders in 2022, which was set to be convened on August 31, 2022.

(3) From August 15 to 25, 2022, the Company posted on its intranet the list of the first batch of incentive recipients under the Restricted Stock Incentive Plan in 2022, for a total of 10 days. As of the end of the announcement on August 25, 2022, the Board of Supervisors did not receive any objection against these incentive recipients. On August 25, 2022, the Board of Supervisors of the Company convened a meeting to review and approve the *Verification Opinions and Announcement Note on the List of the First Batch of Incentive Recipients under the Company's Restricted Stock Incentive Plan in 2022*. The Company then disclosed these Verification Opinions and relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(4) On August 31, 2022, the Company convened the 1st Extraordinary General Meeting in 2022, on which the following proposals were reviewed and approved: the *Proposal on the Company's Restricted Stock Incentive Plan in 2022 (Draft) and Its Abstract*, the *Proposal on Management Rules for the Implementation and Assessment of the Company's Restricted Stock Incentive Plan in 2022*, the *Proposal on the Management Rules of the Company's Restricted Stock Incentive Plan in 2022*, and the *Proposal on Applying to the General Meeting of Shareholders for Authorizing the Board of Directors to Handle Equity Incentive-related Matters*. On the same day, the Company disclosed the *Self-Inspection Report on Trading of Company Shares by Insiders and Incentive Recipients under Restricted Stock Incentive Plan in 2022* and related announcements on Cninfo (<http://www.cninfo.com.cn>). This incentive plan was approved at the Company's 1st Extraordinary General Meeting in 2022, and the Board of Directors was authorized to implement the Company's Restricted Stock Incentive Plan in 2022 and handle relevant matters according to the laws and regulations.

(5) On October 27, 2022, the Company convened the 4th Meeting of the 10th Board of Directors and the 5th Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: the *Proposal on Adjustments of the Company's Restricted Stock Incentive Plan in 2022*, and the *Proposal on Granting Restricted Stocks to the First Batch of Incentive Recipients under the Restricted Stock Incentive Plan in 2022*. The Board of Directors confirmed that the grant conditions under the incentive plan were satisfied. The Board of Supervisors re-verified the list of incentive recipients on the first grant date and provided opinions on the adjustment and grant. The Company's independent directors agreed on the above proposals, with related reports prepared by the lawyers and independent financial advisers. On October 28, 2022, the Company disclosed the relevant announcement on CNINFO.

(6) On November 9, 2022, the Company disclosed the *Announcement on Completion of Registration of the First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The Company completed the registration of the restricted stocks initially granted under the

Restricted Stock Incentive Plan in 2022, and the listing date of the granted restricted stocks was November 15, 2022.

(7) On July 12, 2023, the Company convened the 12th Meeting of the 10th Board of Directors and the 8th Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: the *Proposal on Adjusting the Grant Price of Reserved Stocks under the Restricted Stock Incentive Plan in 2022* and the *Proposal on Granting Reserved Restricted Stocks to Incentive Recipients under the Restricted Stock Incentive Plan in 2022*. The Board of Directors confirmed that reserved conditions of the incentive plan for granting restricted stocks were fulfilled, and the Board of Supervisors re-verified the list of incentive recipients on the date of granting reserved stocks, and provided opinions on the grant. The Company's independent directors agreed on the above proposals, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(8) From July 13 to 23, 2023, the Company publicly displayed the list of incentive recipients for the reserved restricted stocks under this Restricted Stock Incentive Plan through its OA system, for a total of 10 days. By the end of the public announcement period on July 23, 2023, the Board of Supervisors had not received any objections against the incentive recipients from any individuals. On July 26, 2023, the Company convened a meeting of the Board of Supervisors, on which the following proposals were reviewed and approved: the *Verification Opinions of the Board of Supervisors and Announcement Note on the List of Incentive Recipients for Reserved Restricted Stocks Granted under the Company's Restricted Stock Incentive Plan in 2022*. On the same day, the Company disclosed the *Verification Opinions of the Board of Supervisors and Announcement Note on the List of Incentive Recipients for Reserved Restricted Stocks Granted under the Company's Restricted Stock Incentive Plan in 2022* and related announcements on Cninfo (<http://www.cninfo.com.cn>).

(9) On September 27, 2023, the Company disclosed the *Announcement on Completion of the Reserved Grant under the Restricted Stock Incentive Plan in 2022*. The Company completed the registration of the reserved restricted stocks granted under the Restricted Stock Incentive Plan in 2022, and the listing date of the granted restricted stocks was September 28, 2023.

(10) On November 21, 2023, the Company convened the 18th Meeting of the 10th Board of Directors and the 12th Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: *Proposal on the Fulfillment of Conditions for the First Restriction Release Period of the Initial Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*, the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks*. The Board of

Directors confirmed that the conditions for releasing restrictions during the first restriction release period of the first grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors approved the completion of the procedures for releasing the restrictions on 1,220,940 restricted stocks under the first restriction release period for 108 incentive recipients. The Board of Directors also approved the repurchase and cancellation of a total of 97,800 restricted stocks that had been granted but not yet released, corresponding to 4 incentive recipients who were no longer eligible due to resignation and 2 incentive recipients who failed to fully meet the individual performance assessment criteria for the first restriction release period. The Company's independent directors issued concurring independent opinions on the relevant matters, and the Board of Supervisors provided verification opinions, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(11) On December 1, 2023, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the First Restriction Release Period for First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the first restriction release period of the first grant under the Restricted Stock Incentive Plan in 2022 became tradable on December 5, 2023.

(12) On December 8, 2023, the Company convened its 2nd Extraordinary General Meeting in 2023, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Altering the Registered Capital and Amending the Articles of Association* were approved after review. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of January 24, 2024, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(13) On March 28, 2024, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Stocks*. On March 26, 2024, the Company completed the procedures for repurchase and cancellation of 97,800 restricted stocks in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(14) On May 30, 2024, the Company convened the 24th Meeting of the 10th Board of Directors and the 16th meeting of the 10th Board of Supervisors, during which the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* were reviewed and approved. The Board

of Directors agreed to repurchase and cancel a total of 65,000 restricted stocks that had been granted but not yet released from restrictions, corresponding to 5 incentive recipients who were no longer eligible due to resignation. The Board of Supervisors provided verification opinions on the relevant matters, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(15) On June 18, 2024, the Company convened its 1st Extraordinary General Meeting in 2024, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Expanding the Business Scope, Altering the Registered Capital and Amending the "Articles of Association"* were reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of August 5, 2024, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(16) On August 29, 2024, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Stocks*. On August 27, 2024, the Company completed the procedures for repurchase and cancellation of 65,000 restricted stocks in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(17) On October 10, 2024, the Company convened the 28th Meeting of the 10th Board of Directors and the 18th Meeting of the 10th Board of Supervisors. During these two meetings, the *Proposal on the Fulfillment of the Release Conditions during the First Restriction Release Period of the Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022* was reviewed and approved. The Board of Directors confirmed that the conditions for releasing restrictions during the first restriction release period of the reserved grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors approved the completion of the procedures for releasing the restrictions on 192,500 restricted stocks under the first restriction release period for 18 incentive recipients. The Board of Supervisors provided verification opinions on the relevant matters, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(18) On October 24, 2024, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the First Restriction Release Period of Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the first restriction

release period of the reserved grant under the Restricted Stock Incentive Plan in 2022 became tradable on October 28, 2024.

(19) On November 25, 2024, the Company convened the 30th Meeting of the 10th Board of Directors and the 20th Meeting of the 10th Board of Supervisors, during which the following proposals were reviewed and approved: *Proposal on the Fulfillment of the Release Conditions during the Second Restriction Release Period for First Grant of Reserved Restricted Stocks under the Restricted Stock Incentive Plan in 2022*, the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks*. The Board of Directors confirmed that the conditions for releasing restrictions during the second restriction release period of the first grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors approved the completion of the procedures for releasing the restrictions on 1,063,740 restricted stocks under the second restriction release period for 90 incentive recipients. The Board of Directors also approved the repurchase and cancellation of a total of 185,500 restricted stocks that had been granted but not yet released from restrictions, corresponding to 1 incentive recipient who was no longer eligible due to resignation, 16 incentive recipients whose individual performance assessment results for the second restriction release period were unqualified, and 1 reserved incentive recipient whose individual performance assessment results for the first restriction release period were unqualified. The Board of Supervisors provided verification opinions on the relevant matters. with related reports prepared by the lawyers and independent financial advisers. On November 27, 2024, the Company disclosed the relevant announcement on CNINFO.

(20) On December 13, 2024, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the Second Restriction Release Period for First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the second restriction release period of the first grant under the Restricted Stock Incentive Plan in 2022 became tradable on December 16, 2024.

(21) On December 20, 2024, the Company convened its 2nd Extraordinary General Meeting in 2024, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Expanding the Business Scope, Altering the Registered Capital and Amending the "Articles of Association"* were reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of February 5, 2025, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction

of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(22) On March 28, 2025, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Stocks*. On March 26, 2025, the Company completed the procedures for repurchase and cancellation of 185,500 restricted stocks in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(23) On June 27, 2025, the Company convened the 34th Meeting of the 10th Board of Directors and the 24th Meeting of the 10th Board of Supervisors, where the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks and Reduction of the Company's Registered Capital* were reviewed and approved. The Board of Directors agreed to repurchase and cancel a total of 56,000 restricted stocks that had been granted but not yet released from restrictions, corresponding to 6 incentive recipients who were no longer eligible due to resignation, and to reduce the Company's registered capital accordingly. The Board of Supervisors provided verification opinions on the relevant matters. with related reports prepared by the lawyers and independent financial advisers. On July 01, 2025, the Company disclosed the relevant announcement on CNINFO.

(24) On July 16, 2025, the Company convened its 1st Extraordinary General Meeting in 2025, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks and Reduction of the Company's Registered Capital* was reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of September 1, 2025, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(25) On September 11, 2025, the Company disclosed the *Announcement on the Completion of Repurchase and Cancellation of Certain Restricted Stocks*. On September 9, 2025, the Company completed the procedures for repurchase and cancellation of 56,000 restricted stocks at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(26) On October 13, 2025, the Company convened the 3rd Meeting of the 11th Board of Directors, where the *Proposal on the Fulfillment of Conditions for the Second Restriction Release Period of Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022* was reviewed and approved. The Board of Directors confirmed that the conditions for releasing restrictions during the second restriction release period of the reserved restricted stocks granted

under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors approved the completion of the procedures for releasing the restrictions on 175,000 restricted stocks under the second restriction release period for 16 incentive recipients. The Remuneration and Appraisal Committee of the Board of Directors issued verification opinions on relevant matters, while lawyers and independent financial advisors provided corresponding reports. On October 15, 2025, the Company disclosed the relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(27) On October 25, 2025, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the Second Restriction Release Period of Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the second restriction release period of the reserved restricted stocks granted under the Restricted Stock Incentive Plan in 2022 became tradable on October 29, 2025.

(28) On November 20, 2025, the Company convened the 5th Meeting of the 11th Board of Directors, on which the following proposals were reviewed and approved: *Proposal on the Fulfillment of the Release Conditions during the Third Restriction Release Period for First Grant of Reserved Restricted Stocks under the Restricted Stock Incentive Plan in 2022*, the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks*. The Board of Directors believed that the conditions for releasing restrictions during the third restriction release period of the first grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors agreed to handle the releasing procedures for 1,275,120 restricted stocks for 77 incentive recipients during the third restriction release period, and also approved the repurchase and cancellation of a total of 284,200 restricted stocks that had been granted but not yet released from trading restrictions, corresponding to 6 incentive recipients who were no longer eligible due to resignation, 16 incentive recipients whose individual performance assessment results for the third restriction release period were unqualified, 3 incentive recipients whose individual performance assessment results for the restriction release period were qualified among the initially granted incentive recipients, 1 reserved incentive recipient who was no longer eligible due to resignation, and 2 incentive recipients whose individual performance evaluations for the second restriction release period were unqualified among the incentive recipients of reserved grants. The Remuneration and Appraisal Committee of the Board of Directors issued verification opinions on relevant matters, while lawyers and independent financial advisors provided corresponding reports.

On November 22, 2025, the Company disclosed the relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(29) On December 6, 2025, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the Third Restriction Release Period for First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the third restriction release period of the first grant under the Restricted Stock Incentive Plan in 2022 became tradable on December 10, 2025.

(30) On December 9, 2025, the Company convened its 2nd Extraordinary Shareholders' Meeting in 2025, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Expanding the Business Scope, Altering the Registered Capital and Amending the "Articles of Association"* were reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of January 23, 2026, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(31) On March 7, 2026, the Company disclosed the *Announcement on the Completion of Repurchase and Cancellation of Certain Restricted Stocks*. On March 5, 2026, the Company completed the procedures for repurchase and cancellation of 284,200 restricted stocks at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

Equity incentive situation of the Company's directors and senior management

Applicable Not applicable

Unit: Shares

Name	Position	Number of share options held at the beginning of the year	Number of newly granted share options during the reporting period	Number of exercisable shares during the reporting period	Number of exercised shares during the reporting period	Exercise price of exercised shares during the reporting period (RMB /share)	Number of share options held at the end of the reporting period	Market price at the end of the reporting period (RMB /share)	Number of restricted stocks held at the beginning of the period	Number of shares released during the current period	Number of restricted stocks newly granted during the reporting period	Grant price of restricted stocks (RMB /share)	Number of restricted stocks held at the end of the reporting period
Lv Liang	Chairman and	0	0	0	0	0	0	39.45	80,000	80,000	0	25.00	0

	General Manager												
Wu Hui	Deputy General Manager	0	0	0	0	0	0	39.45	105,000	60,000	0	25.00	0
Zhu Li	Deputy General Manager	0	0	0	0	0	0	39.45	60,000	60,000	0	25.00	0
Zhang Jianfei	Deputy General Manager	0	0	0	0	0	0	39.45	60,000	60,000	0	25.00	0
Zhang Zhongxing	Deputy General Manager	0	0	0	0	0	0	39.45	10,000	10,000	0	25.00	0
Zhu Liang	Director	0	0	0	0	0	0	39.45	12,000	12,000	0	25.00	0
Chen Bo	Secretary of the Board of Directors	0	0	0	0	0	0	39.45	40,000	40,000	0	25.00	0
Qiu Renbo	Officer in charge of finance	0	0	0	0	0	0	39.45	40,000	40,000	0	25.00	0
Total	--	0	0	0	0	--	0	--	407,000	362,000	0	--	0
Remarks (if any)	Under the Company's <i>Restricted Stock Incentive Plan in 2022</i> , Mr. Lv Liang (Chairman and General Manager), Mr. Wu Hui (Deputy General Manager), Mr. Zhu Li (Deputy General Manager), Mr. Zhang Jianfei (Deputy General Manager), Mr. Zhang Zhongxing (Deputy General Manager), Mr. Zhu Liang (Director), Mr. Chen Bo (Secretary of the Board of Directors), and Mr. Qiu Renbo (Officer in charge of finance) were granted 200,000 shares, 150,000 shares, 150,000 shares, 150,000 shares, 20,000 shares, 30,000 shares, 100,000 shares, and 100,000 shares of restricted stocks, respectively. During the reporting period, the restricted stocks of 80,000 shares, 60,000 shares, 60,000 shares, 60,000 shares, 10,000 shares, 12,000 shares, 40,000 shares, and 40,000 shares were released to the above-mentioned individuals respectively. The cumulative numbers of restricted stocks released for these individuals to date amounted to 200,000 shares, 105,000 shares, 150,000 shares, 150,000 shares, 20,000 shares, 30,000 shares, 100,000 shares, and 100,000 shares, respectively. The aggregated quantity of repurchased restricted stocks is as follows: 45,000 shares held by Hui Wu, with the repurchase cancellation date set for March 26, 2025. As of the disclosure date of this Report, none of the aforementioned												

	individuals hold any restricted stocks that remain subject to lock-up.
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Assessment mechanism and incentive arrangements for senior management

(1) To ensure that the Company's senior management effectively performs its duties and that their rights and responsibilities are clearly defined, the Company has established a sound performance evaluation system, and implemented a remuneration assessment mechanism that links remuneration with work performance for senior management. During the reporting period, all members of the senior management diligently fulfilled their responsibilities and effectively implemented the relevant resolutions of the Shareholders' Meeting and the Board of Directors in accordance with the *Company Law*, the *Articles of Association*, and other applicable laws and regulations. Under the proper guidance of the Board of Directors, they maintained prudent and compliant operations while continuously strengthening internal management and oversight.

(2) To further establish and enhance a sustainable long-term incentive mechanism, attract and retain outstanding talents, and fully motivate the senior management, management officers, and core technical (business) personnel of Huadong Medicine Co., Ltd., the Company launched the *Restricted Stock Incentive Plan in 2022*. This plan is designed to align the interests of shareholders, the Company, and its core team, and ensure that all parties remain focused on the Company's long-term development. Under the principle that rewards should correspond to contributions, and while fully safeguarding shareholder interests, the incentive plan effectively links the Company's value creation with the personal interests of its key personnel. For specific implementation details of the *Restricted Stock Incentive Plan in 2022*, please refer to the Section "1. Equity incentive" above.

2. Implementation of employee stock ownership plan (ESOP)

Applicable Not applicable

3. Other employee incentives

Applicable Not applicable

XI. Establishment and implementation of an internal control system during the reporting period

1. Establishment and implementation of internal controls

Throughout the reporting period, in strict compliance with pertinent legal provisions, regulatory requirements, and normative documents—including the *Basic Standards for Enterprise Internal Control* and the *Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No.1 - Standardized Operation of Listed Companies on the Main Board*—the Company

has sustained its efforts to enhance its internal control framework, continuously improved its corporate governance structure, established and optimized its internal control system, standardized the implementation of internal control systems, and strengthened internal control supervision and inspection to ensure the ongoing elevation of the Company's operational and management level. During the reporting period, the Company's internal control system was demonstrated to be well-conceived and rationally structured. The Company maintained effective internal controls across all material respects in accordance with the requirements of the enterprise internal control framework and relevant regulations, without any material omissions. For details, please refer to the *Proposal on the Company's 2024 Self-assessment Report on Internal Control* published by the Company on April 24, 2026, on the website of Cninfo (<http://www.cninfo.com.cn/>).

2. Details of material internal control weaknesses identified during the reporting period

Yes No

XII. The Company's management control over subsidiaries during the reporting period

Company name	Integration plan	Integration progress	Issues encountered during integration	Solutions adopted	Solution progress	Subsequent solutions
Huadong Pharmaceutical Sales (Zhejiang) Co., Ltd.	Incorporation of a new subsidiary, no integration involved	/	/	/	/	/
Huadong Medicine International Trade (Zhejiang) Co., Ltd.	Incorporation of a new subsidiary, no integration involved	/	/	/	/	/
Huadong Peiyuantang (Hangzhou) Comprehensive Clinic Co., Ltd.	Incorporation of a new subsidiary, no integration involved	/	/	/	/	/
Wenzhou Hui ren Health Food Co., Ltd.	Incorporation of a new subsidiary, no integration involved	/	/	/	/	/

Abnormalities in the management and control of subsidiaries

Yes No

XIII. Assessment report on internal control or audit report on internal control

1. Assessment report on internal control

Disclosure date of the full text of assessment report on internal control	April 24, 2026	
Disclosure index of the full text of assessment report on internal control	Cninfo (http://www.cninfo.com.cn)	
Proportion of total assets included in the evaluation scope to the total assets in the Company's consolidated financial statements	95.00%	
Proportion of operating revenue of entities included in the evaluation scope to the operating revenue of the Company's consolidated financial statements	90.00%	
Recognition standard of deficiencies		
Category	Financial report	Non-financial report
Qualitative criteria	<p>The Company specifies that internal control deficiencies involving the following fields shall be identified as "important deficiencies" at a minimum: anti-fraud procedures and controls; internal controls over non-routine or non-systematic transactions; internal controls governing the selection and application of accounting policies in compliance with Generally Accepted Accounting Principles (GAAP); and internal controls over the end-of-period financial reporting process.</p> <p>The following circumstances shall be classified as "important deficiencies" and strongly indicate the presence of material weaknesses: Restatement of previously-issued financial statements to correct material misstatements arising from errors or fraud; identification by auditors of material misstatements in the Company's current financial statements that were not initially detected by internal controls over financial reporting; failure of the Audit Committee to adequately oversee the Company's financial reporting and internal control processes; compliance regulatory failures where violations of laws or regulations materially impact the reliability of financial reporting; discovery of fraud, regardless of scale, involving the senior management; the Management's failure to remediate important deficiencies within a reasonable period after identification and reporting.</p>	<p>The Company applies the following qualitative standards to evaluate internal control deficiencies in non-financial reports:</p> <p>The Company stipulates that internal control deficiencies involving the following fields shall be identified as "material weaknesses": serious violations of laws and regulations; consecutive years of losses and challenges to sustained operations for reasons other than policy; lack of institutional control over important operations or systemic failure of institutions; frequent negative news coverage in mainstream media, resulting in significant negative impacts; and failure to rectify significant or important deficiencies identified in internal control evaluations.</p> <p>The Company stipulates that internal control deficiencies involving the following areas shall be identified as "important deficiencies": significant negative news coverage in major media at the provincial level or above during the year, resulting in substantial negative impacts; severe attrition among middle management or key personnel; unjustified failure to address general deficiencies identified in the previous year's internal control assessment.</p>

Quantitative criteria	(1) Internal control deficiencies satisfying any of the following conditions may be identified as material weaknesses:															
	<table border="1"> <thead> <tr> <th>Item</th> <th>Impact of deficiency</th> </tr> </thead> <tbody> <tr> <td>Potential misstatement of total profit</td> <td>Misstated amount \geq 10% of total profit</td> </tr> <tr> <td>Potential misstatement of total assets</td> <td>Misstated amount \geq 3% of total assets</td> </tr> </tbody> </table>	Item	Impact of deficiency	Potential misstatement of total profit	Misstated amount \geq 10% of total profit	Potential misstatement of total assets	Misstated amount \geq 3% of total assets	<p>The Company's quantitative criteria for assessing internal control deficiencies in non-financial reports are as follows:</p> <table border="1"> <thead> <tr> <th>Type of deficiencies</th> <th>Impact on total assets</th> </tr> </thead> <tbody> <tr> <td>Minor defect</td> <td>Impact on total assets < 1.5%</td> </tr> <tr> <td>Important deficiencies</td> <td>1.5% of total assets \leq impact on total assets < 3% of total assets</td> </tr> <tr> <td>Significant deficiencies</td> <td>Impact on total assets \geq 3%</td> </tr> </tbody> </table>	Type of deficiencies	Impact on total assets	Minor defect	Impact on total assets < 1.5%	Important deficiencies	1.5% of total assets \leq impact on total assets < 3% of total assets	Significant deficiencies	Impact on total assets \geq 3%
	Item	Impact of deficiency														
	Potential misstatement of total profit	Misstated amount \geq 10% of total profit														
Potential misstatement of total assets	Misstated amount \geq 3% of total assets															
Type of deficiencies	Impact on total assets															
Minor defect	Impact on total assets < 1.5%															
Important deficiencies	1.5% of total assets \leq impact on total assets < 3% of total assets															
Significant deficiencies	Impact on total assets \geq 3%															
(2) Internal control deficiencies satisfying one of the following conditions can be considered as important deficiencies:	<table border="1"> <thead> <tr> <th>Item</th> <th>Impact of deficiency</th> </tr> </thead> <tbody> <tr> <td>Potential misstatement of total profit</td> <td>5% of total profit \leq misstated amount < 10% of total profit</td> </tr> <tr> <td>Potential misstatement of total assets</td> <td>1.5% of total assets \leq misstated amount < 3% of total assets</td> </tr> </tbody> </table>	Item	Impact of deficiency	Potential misstatement of total profit	5% of total profit \leq misstated amount < 10% of total profit	Potential misstatement of total assets	1.5% of total assets \leq misstated amount < 3% of total assets									
Item	Impact of deficiency															
Potential misstatement of total profit	5% of total profit \leq misstated amount < 10% of total profit															
Potential misstatement of total assets	1.5% of total assets \leq misstated amount < 3% of total assets															
(3) Internal control deficiencies satisfying one of the following conditions can be considered as minor defects:	<table border="1"> <thead> <tr> <th>Item</th> <th>Impact of deficiency</th> </tr> </thead> <tbody> <tr> <td>Potential misstatement of total profit</td> <td>Misstated amount < 5% of total profit</td> </tr> <tr> <td>Potential misstatement of total assets</td> <td>Misstated amount < 1.5% of total assets</td> </tr> </tbody> </table>	Item	Impact of deficiency	Potential misstatement of total profit	Misstated amount < 5% of total profit	Potential misstatement of total assets	Misstated amount < 1.5% of total assets									
Item	Impact of deficiency															
Potential misstatement of total profit	Misstated amount < 5% of total profit															
Potential misstatement of total assets	Misstated amount < 1.5% of total assets															
Number of material weaknesses in financial reports (nos.)		0														
Number of material weaknesses in non-financial report (nos.)		0														
Number of important deficiencies in financial report (nos.)		0														
Number of important deficiencies in non-financial report (nos.)		0														

2. Audit report on internal control

Applicable Not applicable

Review opinions of audit report on internal control	
Huadong Medicine has maintained effective internal control in all material respects of the financial report in accordance with the relevant regulations of the <i>Basic Specifications for Internal Control of the Enterprise</i> on December 31, 2025.	
Disclosure of internal control audit report	Disclosed
Disclosure date of the full text of audit report on internal control	April 24, 2026
Index of disclosure of the full text of the audit report on internal control	Cninfo (http://www.cninfo.com.cn)
Type of opinions in the audit report on internal control	Standard unqualified opinions
Whether there are material weaknesses in non-financial report	No

Whether the accounting firm issues an audit report on internal control with non-standard opinions

Yes No

Whether the audit report on internal control issued by the accounting firm is consistent with the self-evaluation report of the Board of Directors

Yes No

Whether a non-standard audit opinion was issued for internal control during the reporting period or the previous year

Yes No

XIV. Rectification of issues identified in the self-inspection of the special campaign to improve governance of listed companies

Not applicable

XV. Environmental information disclosures

Whether the listed company and its major subsidiaries are included in the list of enterprises legally required to disclose environmental information

Yes No

Number of enterprises included in the list of enterprises legally required to disclose environmental information (unit)		6
No.	Enterprise name	Index for accessing the environmental information disclosure report
1	Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	Enterprise Environmental Information Disclosure System (Zhejiang): https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=91330100609120774J&uniqueCode=f07f08c3e871f665&date=2025&type=true&isSearch=true National Pollutant Discharge Permit Management Information Platform (Public Access): https://permit.mee.gov.cn/permitrep/report/#/pubView?reportId=353fa9b09892439a2c0ad79e7deb8b88209f3ce5485d1dfd4b994c81c5118ef&provinceSharding=14095c0a196ead26d02b45f17283baab&yearSharding=688d6684ccb0624fd12e5ee02acefe72&reportType=year
2	Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	Enterprise Environmental Information Disclosure System (Zhejiang): https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=913301000678586850&uniqueCode=06bcf781a9a3946f&date=2025&type=true National Pollutant Discharge Permit Management Information Platform (Public Access): https://permit.mee.gov.cn/permitrep/report/#/pubView?reportId=674ef93e308af25a23813cf32f6cc04a0c7b778e0c92e4c51f

		<p>cde96e4040d33c&provinceSharding=14095c0a196ead26d02b45f17283baab&yearSharding=688d6684ccb0624fd12e5ee02acefe72&reportType=year</p>
3	Joyang Laboratories	<p>Filling of "Environmental Portrait" enterprise environmental information disclosure system for Jiangsu enterprises (One File for One Enterprise): <a #="" href="http://ywxt.sthjt.jiangsu.gov.cn:18181/sp-sarchive-webapp/web/viewRunner.html?viewId=http%3A%2F%2Fywxt.sthjt.jiangsu.gov.cn%3A18181%2Fspsarchive-webapp%2F%2Fweb%2Fsps%2Fviews%2Fyfpl%2Fviews%2FyfplEntInfo%2Findex.js&versionId=BD3E7B44D5C44592BEF5014AB61A0EB1&spCode=3209240200002612&validate=CN31_PX6vwXNyfiJpXibowBFE3adRMiKwRANFZHuicqVHrF4.*5bPkYjizD4BZpBToAvwwwu36sxdZi9Yr33ygxOooTckh.W0Rt9nBJdiSHYVrdCP_iG3h2.eMgMwpRQXPbvEurmzcPIIye22kGCNrsqeZFEA_eAeypr51JgkE1eG**D00liDfA3VEgDbf6RZXHjco8O8hsrZFgkNy3o8icCuqzvKhE2*yaFkWbbxuaVs613FXIVIPrt9XWGe4bxUdQqSJtmoY9eSlfbO0RecCwVj3GbxzZ8I*DzQGZER_ID1e*fTzr.yiDYMqdNYS*O8IzYW*h15UFGvs4CgnrAj5XZljBKvye_FqwXX9uu63HW_*N9tX58n_WX5noggUf0H1ytqaN.DIXjHSztyMSA9ZIDko.HDj_G1ge.8qdCvRcO_WUmCHQ*4_*wA6KvYo._R1X9QMwM2uEg4o8TRr.qhzhgBhp6J85J6UaZkKj82YoXga3UyIbwkM0KqPdXM5TFr6mDKiwMQ2Ijg77_v_i_1&year=2025</p> <p>National Pollutant Discharge Permit Management Information Platform (Public Access):
 https://permit.mee.gov.cn/permitrep/report/#/pubView?reportId=ab5d1545f606149db3d7f087d28c0cffe9a1433b4be02f598989509646c43574&provinceSharding=b0172767d66e0dcbf3fa2286f54ef3ea&yearSharding=688d6684ccb0624fd12e5ee02acefe72&reportType=year</p>
4	Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	<p>Enterprise Environmental Information Disclosure System (Anhui): https://39.145.37.16:8081/zhhb/yfplpub.html/#/companyDetails?name=%E5%A%E%89%E5%BE%BD%E7%BE%8E%E5%8D%E8%E9%AB%98%E7%A7%91%E5%88%B6%E8%8D%AF%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&entpId=20251742977664698&type=1</p>

		National Pollutant Discharge Permit Management Information Platform (Public Access): https://permit.mee.gov.cn/permitrep/report/#/pubView?reportId=3477ae2848c8065b7c06f795684c0e81dac9cd7d56e166d790c5edd66d3b73e9&provinceSharding=ed6161f57de9e8be83cb9604b616604e&yearSharding=688d6684ccb0624fd12e5ee02acefe72&reportType=year
5	Wuhu Huaren Science and Technology Co., Ltd.	Enterprise Environmental Information Disclosure System (Anhui): https://39.145.37.16:8081/zhhb/yfplpub_html/#/searchPage?keyWord=%E8%8A%9C%E6%B9%96%E5%8D%8E%E4%BB%81%E7%A7%91%E6%8A%80%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8&hy=%5B%5D National Pollutant Discharge Permit Management Information Platform (Public Access): https://permit.mee.gov.cn/permitrep/report/#/pubView?reportId=8787c32b38e91652d25a8c8cb3736c8e3f9c73c92a9ba653dce82dba094e2f09&provinceSharding=61a93dce6780a03d2f46b36e2f31c3ca&yearSharding=688d6684ccb0624fd12e5ee02acefe72&reportType=year
6	Huadong Medicine (Xi'an) Bodyguard Pharmaceutical Co., Ltd.	Enterprise Environmental Information Disclosure System (Shaanxi): http://113.140.66.227:11077/#/noLogin/qymd?key=%E5%8D%8E%E4%B8%9C%E5%8C%BB%E8%8D%AF%EF%BC%88%E8%A5%BF%E5%AE%89%EF%BC%89%E5%8D%9A%E5%8D%8E%E5%88%B6%E8%8D%AF%E6%9C%89%E9%99%90%E5%85%AC%E5%8F%B8 National Pollutant Discharge Permit Management Information Platform (Public Access): https://permit.mee.gov.cn/perxxgkinfo/xkgkAction!xkgk.action?xkgk=getxxgkContent&dataid=705a3ed5d89b462b89647fdb73373bfa

XVI. Social responsibilities

During its strategic transformation, the Company has rigorously fulfilled its corporate social responsibilities as a conscientious corporate citizen, maintaining close oversight of the evolving needs of diverse stakeholders—including shareholders, government and regulatory authorities, employees, customers and patients, suppliers, local communities, the broader public, and strategic

partners. By standardizing governance practices to fortify its developmental foundation, prioritizing sustainable objectives, adhering to rigorous business ethics, and advancing high-quality growth initiatives, the Company actively contributes to the national vision of building a Healthy China. Simultaneously, it demonstrated unwavering commitment to employee development, promoted environmentally sustainable and low-carbon operations, and actively engages in public welfare initiatives to deliver tangible societal value through concrete actions.

For details on the Company's fulfillment of social responsibilities in 2025, please refer to the *Huadong Medicine 2025 Environmental, Social, and Governance (ESG) Report*.

XVII. Consolidating and expanding achievements of poverty alleviation and rural revitalization

During the reporting period, the Company actively carried out work related to rural revitalization. For specifics, please refer to the *Huadong Medicine 2025 Environmental, Social, and Governance (ESG) Report*.

Section V Important Matters

I. Fulfillment of commitments

1. Commitments made by interested parties such as the Company's de facto controller, shareholders, related parties, acquirer(s), and the Company that are fulfilled during the reporting period or unfulfilled by the end of the reporting period

Applicable Not applicable

During the reporting period, the Company did not have any commitments made by the de facto controller, shareholders, related parties, acquirers, or the Company itself that were fulfilled during the reporting period or remained overdue as of the end of the reporting period.

2. If the Company's assets or projects are subject to profit forecasts and the reporting period remains within the profit forecast period, the Company shall provide explanations regarding whether such assets or projects have achieved the original profit forecast, along with the reasons thereof

Applicable Not applicable

3. Performance commitments involved by the Company

Applicable Not applicable

II. Non-operational appropriation of funds of the listed company by controlling shareholders and other related parties

Applicable Not applicable

During the reporting period, there was no non-operational appropriation of funds of the listed company by controlling shareholders and other related parties

III. Violations of external guarantees

Applicable Not applicable

There was no violation of external guarantee during the reporting period.

IV. Explanation by the Board of Directors on the latest "Non-Standard Audit Report"

Applicable Not applicable

V. Explanations by the Board of Directors and the Independent Directors (if any) on the "Non-standard Audit Report" of the accounting firm during the reporting period

Applicable Not applicable

VI. Explanations on changes in accounting policies, accounting estimates, or corrections of material accounting errors compared to the previous annual financial report

Applicable Not applicable

The Company did not have any changes in accounting policies, accounting estimates, or corrections of material accounting errors during the reporting period.

VII. Explanation of changes in the scope of consolidated statements compared to the previous annual financial report

Applicable Not applicable

For details, please refer to "IX. Changes in the consolidation scope" under "Section VIII. Financial Reports".

VIII. Employment and dismissal of accounting firms

Currently engaged accounting firm

Name of domestic accounting firm	Pan-China Certified Public Accountant LLP (Special General Partnership)
Remuneration of domestic accounting firm (in RMB 10,000)	170
Continuous years of audit services provided by the domestic accounting firm	28
Name of certified public accountant from the domestic accounting firm	Hu Yanhua and Chen Xiaodong
Continuous years of audit services provided by the certified public accountant from the domestic accounting firm	3 years for Hu Yanhua, and 4 years for Chen Xiaodong
Name of overseas accounting firm (if any)	None
Remuneration of overseas accounting firm (in RMB 10,000) (if any)	0
Continuous years of audit services provided by the overseas accounting firm (if any)	None
Name of certified public accountant from the overseas accounting firm (if any)	None
Continuous years of audit services provided by the overseas certified public accountant (if any)	None

Whether the accounting firm was changed during the current period

Yes No

Engagement of an accounting firm for internal control audit, financial advisor, or sponsor

Applicable Not applicable

During the year, the Company engaged Pan-China Certified Public Accountant LLP (Special General Partnership) as the audit firm for its annual financial report and audit report on internal control. The audit fees paid for the 2025 Financial Report and Audit Report on Internal Control amounted to RMB 1.7 million (tax inclusive).

IX. Delisting after annual report disclosure

Applicable Not applicable

X. Matters related to bankruptcy and reorganization

Applicable Not applicable

The Company was not involved in matters related to bankruptcy and reorganization during the reporting period.

XI. Major litigation and arbitration matters

Applicable Not applicable

Basic circumstances of litigation (arbitration)	Amount involved (RMB 10,000)	Whether an estimated liability is formed	Litigation (arbitration) progress	Outcome and impact of litigation (arbitration) judgments	Execution of litigation (arbitration) judgments	Disclosure date	Disclosure index
Summary of matters not meeting the thresholds for disclosure of major litigations (arbitrations) (China)	36,422.24	No	Some cases are under trial, and some judgments have become effective (of which, the amount of closed cases is RMB 58.092 million, and the unenforced amount is RMB 21.5753 million)	The summary of the litigation matters has no significant impact on the Company	Some cases have been executed, some adjudicated cases are under enforcement, some cases are not adjudicated		/
Summary of matters not meeting the thresholds for disclosure of major litigations (arbitrations) (overseas)	6,930.00	Yes	All cases are under trials	The summary of the litigation matters has no significant impact on the Company	Some first-instance judgments have been issued and are still under appeal. some cases are not adjudicated		/
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd., the Company's wholly-	11,138.64	No	The first-instance judgment has been received from the Zhejiang High	This litigation is still at the first-instance judgment stage. No material impact is	The first-instance judgment has not yet become effective.	December 15, 2025	For details, please refer to the <i>Announcement on the Receipt of the First-Instance</i>

<p>owned subsidiary, demanded that Qinghai Everest Cordyceps Sinensis Raw Materials Co., Ltd. (Defendant 1) and Qinghai Everest Cordyceps Sinensis Pharmaceutical Co., Ltd. (Defendant 2) immediately cease all acts of infringement of relevant invention patents of Zhongmei Huadong and compensate for damages.</p>			<p>People's Court. Zhongmei Huadong has filed an appeal in accordance with the law. The Supreme People's Court held a hearing on April 23, 2026.</p>	<p>generated on the Company.</p>			<p><i>Civil Judgment by the Wholly-Owned Subsidiary</i> (Announcement No.: 2025-113) disclosed by the Company on the website of Cninfo (http://www.cninfo.com.cn) on December 15, 2025.</p>
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Note: (I) For details on the provision for estimated liabilities due to pending litigation during the reporting period, please refer to the relevant content in "Section VIII Financial reports" - "VII. Notes to items in the consolidated financial statement- "50. Estimated liabilities" herein.

(II) During the reporting period, the Company made positive progress in initiating administrative rulings and lawsuits against 15 infringing enterprises for violating the invention patent "Indobufen Crystal form D and Its Preparation Method" (Patent No.: ZL202211596913.5) owned by Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd. (hereinafter referred to as "Zhongmei Huadong"), one of its wholly-owned subsidiaries. The Company also actively defended against the patent invalidation request filed by the accused infringing enterprises. As of April 20, 2026, the progress is as follows:

1. Administrative rulings: Zhongmei Huadong has submitted administrative ruling applications to the Hangzhou Intellectual Property Office, Huzhou Intellectual Property Office, Chengdu Intellectual Property Office, and Nanjing Intellectual Property Office regarding patent infringement by 15 companies, demanding an immediate cessation of the infringing activities. As of April 20, 2026, the Hangzhou Intellectual Property Office has rendered 4 administrative ruling decisions, confirming the establishment of infringement and mandating the immediate cessation of infringing activities by the involved enterprises; in response to these administrative ruling decisions, the involved enterprises have filed administrative lawsuits with the Hangzhou Intermediate People's Court, with the Company serving as a third party. One administrative ruling was revoked due to jurisdictional issues; one ruling was upheld by the Hangzhou Intermediate People's Court; the remaining cases remain pending adjudication. The remaining administrative ruling applications have been accepted and subjected to oral hearings by various intellectual property authorities but have yet to receive final determinations.

2. Judicial litigation: In addition to the administrative ruling applications, Zhongmei Huadong filed patent infringement lawsuits with the Hangzhou Intermediate People's Court in 2024 and 2025, respectively, requesting an immediate cessation of the infringing acts and compensation for losses. One case has obtained a judgment determining infringement, and the involved enterprise has filed an appeal with the Supreme People's Court, which has been accepted and is pending adjudication; the other case has been accepted by the Hangzhou Intermediate People's Court, but has not yet been adjudicated.

3. Patent invalidation proceedings: As of April 20, 2026, the Company has been notified of 14 patent invalidation requests concerning the disputed patent. The China National Intellectual Property Administration (CNIPA) issued the *Decision on the Review of a Request for an Invalidation Declaration* for five cases simultaneously on March 12, 2025, upholding the validity of the patent in its entirety; 4 cases were closed due to withdrawal by the requesters, and the remaining 5 cases are currently under review. In response to the *Decision on the Review of a Request for an Invalidation Declaration* issued by the China National Intellectual Property Administration, two invalidation petitioners, dissatisfied with the decisions, filed administrative lawsuits for invalidation with the Beijing Intellectual Property Court, which ruled to uphold the original decisions and dismissed the petitioners' claims; two petitioners, still dissatisfied with the judgment, subsequently appealed to the Supreme People's Court, which has accepted the case, but has not yet rendered a judgment.

In addition, during the reporting period, the Company received: (1) a non-infringement confirmation lawsuit filed by a related party of the involved enterprise with the Jinan Intermediate People's Court, which ruled to reject all claims brought by the related party of the involved enterprise; (2) an unfair competition lawsuit filed by the involved enterprise with the Yinchuan Intermediate People's Court, which was later voluntarily withdrawn by the involved enterprise; subsequently, the involved enterprise filed another unfair competition lawsuit with the Wucheng District People's Court in Jinhua City. As of April 20, 2026, this case has been transferred to the Gongshu District People's Court in Zhejiang Province for handling, and has not yet been heard or adjudicated.

XII. Penalties and rectifications

Applicable Not applicable

The Company had no penalties or rectifications during the reporting period.

XIII. Integrity status of the Company, its controlling shareholders, and de facto controllers

Applicable Not applicable

During the reporting period, neither the Company, its controlling shareholders, nor its de facto controller has failed to comply with any effective court judgment, nor defaulted on any material debt obligations that had become due.

XIV. Major related party transactions

1. Related party transactions related to daily operations

Applicable Not applicable

Related party	Related party relationship	Type of related party transaction	Contents of related party transaction	Pricing policy for related party transactions	Price of related party transaction	Related party transaction amount (RMB 10,000)	Proportion of the amount of similar transactions	Approved transaction amount (RMB 10,000)	Whether it exceeds the approved amount	Settlement method for related party transactions	Available market price of similar transactions	Disclosure date	Disclosure index
Beijing Grand Johamu Pharmaceutical Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party	Market price	5,666	0.19%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				transac tions									
Grand Pharm aceutical (China) Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Procu remen t of drugs	Procu remen t of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-ma king proce dures for re late d party transa ctions	Marke t price	843.9 4	0.03%	10,08 2.06	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Hangz hou Grand Biolo gic Pharm aceuti cal Inc.	Subsi diary of contro lling shareh older of the Comp any	Procu remen t of drugs	Procu remen t of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-ma king proce dures for re late d party transa ctions	Marke t price	6,779. 74	0.23%	6,130	Yes	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Grand Life Scien ces (Shan dong) Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Procu remen t of drugs	Procu remen t of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-ma king proce dures	Marke t price	2,243. 51	0.08%	3,100	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO

				dures for related party transactions									
Wuhan Grand Pharmaceutical Group Sales Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	2,428.14	0.08%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Grand Shuyang Life Sciences (Chengdu) Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	2,954	0.10%	2,900	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Lei Yunshang Pharmaceutical Group Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's	Market price	2,880.48	0.10%	3,266.97	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

	any			decisi on- makin g proce dures for relate d party transa ctions									
Grand Medic al Nutrit ion Scien ce (Wuh an) Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Procu remen t of drugs	Procu remen t of drugs	Marke t price deter mined accor ding to the Comp any's decisi on- makin g proce dures for relate d party transa ctions	Marke t price	2,208. 26	0.08%	2,612	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Yunna n Leiyu nshan g Pharm aceuti cal Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Procu remen t of drugs	Procu remen t of drugs	Marke t price deter mined accor ding to the Comp any's decisi on- makin g proce dures for relate d party transa ctions	Marke t price	1,365. 6	0.05%	1,600	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Grand Life Scien ce	Subsi diary of contro l	Procu remen t of drugs	Procu remen t of drugs	Marke t price deter mined	Marke t price	1,230. 34	0.04%	1,269	No	Cash, bank accept ance	Marke t price	April 18, 2025	CNIN FO

(Liaoning) Co., Ltd.	lling shareholder of the Company			according to the Company's decision-making procedures for related party transactions						bill			
Shenyang Yaoda Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	251.05	0.01%	781	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Qingdao Norse Biotechnology Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	1.12	0.00%	6,130	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO

				ctions									
Xi'an Grand Deten Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	296.29	0.01%	300	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Xi'an Grand Chang'an Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	307.01	0.01%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Anhui Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures	Market price	0.61	0.00%	3,266.97	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				for related party transactions									
Guangdong Leiyunshan Pharmaceuical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	59.41	0.00%	781	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Grand Life Sciences (Anshan) Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	337.87	0.01%	781	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Changshu Lei Yun Shang Pharmaceuical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision	Market price	116.08	0.00%	3,266.97	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				on-making procedures for related party transactions									
Wuhan Grand Hoyo Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	5.66	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Hubei Grand Tiantianmin Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	67.11	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Changchun Lei Yun Shang	Subsidiary of controlling	Procurement of drugs	Procurement of drugs	Market price determined according	Market price	89.11	0.00%	781	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

Pharmaceutical Co., Ltd.	shareholder of the Company			ding to the Company's decision-making procedures for related party transactions									
Cangzhou Huachen Biotechnology Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	37.47	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Hubei Bafeng Pharmaceuticals & Chemicals Share Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	24.53	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

Huangshi Feiyun Pharmaceutical Co., Ltd. (a subsidiary of Grand Pharmaceutical Group)	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	16.04	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Beijing Huajin Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	5.67	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Shaanxi Jianmin Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for	Market price	18.1	0.00%	1,600	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				related party transactions									
Jiangsu Grand Xinyi Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	0.52	0.00%	781	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Jiangsu Shengming Medical Technology Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	29.2	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Beijing Yuanda Changsheng Pharmaceutical Sales Co.,	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-	Market price	172.22	0.01%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

Ltd.				makin proce dures for relate d party transa ctions									
Chongqing Duoputai Pharmaceutical Technology Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	128.03	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Grand Pharmaceutical (Tianjin) Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	259.3	0.01%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Grand Jiu He (Jiangxi) Pharmaceutical	Subsidiary of controlling shareholder	Procurement of drugs	Procurement of drugs	Market price determined according	Market price	46.74	0.00%	10,082.06	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO

cal Co., Ltd.	older of the Company			to the Company's decision-making procedures for related party transactions									
Lei Yun Shang Pharmaceutical Group Sales Co., Ltd.	Subsidiary of controlling shareholder of the Company	Procurement of drugs	Procurement of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	12.22	0.00%	3,266.97	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Grand Life Sciences (Shandong) Co., Ltd.	Subsidiary of controlling shareholder of the Company	Contract manufacturing and other services	Contract manufacturing and other services	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	2,019.63	0.07%	2,031.44	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Beijin	Subsi	Prope	Prope	Marke	Marke	61.83	0.00%	0	Yes	Cash,	Marke	April	CNIN

g Grand Innovation Property Management Co., Ltd.	diary of controlling shareholder of the Company	erty management fee	erty management fee	t price determined according to the Company's decision- making procedures for related party transactions	t price					bank acceptance bill	t price	18, 2025	FO
Xi'an Grand Deten Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Contract manufacturing services	Contract manufacturing services	Market price determined according to the Company's decision- making procedures for related party transactions	Market price	49.85	0.00%	0	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Grand Bay Hotel, Zhuha i	Subsidiary of controlling shareholder of the Company	Conference fee	Conference fee	Market price determined according to the Company's decision- making procedures for related	Market price	2.55	0.00%	0	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO

				d party transactions									
Grand Bay Hotel, Zhuhai	Subsidiary of controlling shareholder of the Company	Service fee	Service fee	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	97.83	0.00%	0	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Grand Bay Hotel Beijing	Subsidiary of controlling shareholder of the Company	Conference fee	Conference fee	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	3.69	0.00%	0	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Grand Bay Hotel Beijing	Subsidiary of controlling shareholder of the Company	Service fee	Service fee	Market price determined according to the Company's decision-making	Market price	22.31	0.00%	0	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				g proce dures for relate d party transa ctions									
Cheng du Shetai Medic al Techn ology Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-mak ing proce dures for relate d party transa ctions	Marke t price	393.8 1	0.01%	945.1 5	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Grand Thera vac Life Scien ce (Hang zhou) Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-mak ing proce dures for relate d party transa ctions	Marke t price	367.7	0.01%	250	Yes	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Suzho u Leiyu nshan g Sinop harm	Subsi diary of contro lling shareh older	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the	Marke t price	245.3 4	0.01%	500	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO

Chain Store Co., Ltd.	of the Company			Company's decision-making procedures for related party transactions									
Hubei Grand Life Science & Technology Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	137.7	0.00%	945.15	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Wuhan Grand Hoyo Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	99.7	0.00%	945.15	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Guangdong	Subsidiary	Sales of	Sales of	Market price	Market price	96.3	0.00%	250	Yes	Cash, bank	Market price	April 18,	CNIN FO

Leiyunshan Pharmaceuical Co., Ltd.	of controlling shareholder of the Company	drugs	drugs	determined according to the Company's decision-making procedures for related party transactions						acceptance bill		2025	
Yunnan Leiyunshan Pharmaceuical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	41.3	0.00%	20	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Lei Yunshang Pharmaceuical Group Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	37.65	0.00%	500	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO

				party transactions									
Shaanxi Jianmin Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	26.55	0.00%	20	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	16.5	0.00%	165	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Anhui Leiyunshan Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making	Market price	13.98	0.00%	500	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				proce dures for relate d party transa ctions									
Grand Life Scien ces (Hang zhou) Pharm aceuti cal Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-ma kin g pro ce dures for relate d party transa ctions	Marke t price	0.32	0.00%	165	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Chang chun Lei Yun Shang Pharm aceuti cal Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-ma kin g pro ce dures for relate d party transa ctions	Marke t price	11.84	0.00%	250	Yes	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Weiyu an Shuya ng Plasm a Collec tion	Subsi diary of contro lling shareh older of the	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp	Marke t price	7.79	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO

Station Co., Ltd.	Company			any's decision-making procedures for related party transactions									
Guiping Shuyang Plasma Collection Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	7.79	0.00%	57	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Pingnan Shuyang Plasma Collection Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	6.99	0.00%	57	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNIN FO
Grand Beilin (Xi'an	Subsidiary of	Sales of drugs	Sales of drugs	Market price deter	Market price	5	0.00%	945.15	No	Cash, bank accept	Market price	April 18, 2025	CNIN FO

) Pharmaceu tical Co., Ltd.	contro lling shareh older of the Comp any			mined accor ding to the Comp any's decisi on- makin g proce dures for relate d party transa ctions						ance bill			
Danle ng Shuya ng Plasma a Collec tion Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on- makin g proce dures for relate d party transa ctions	Marke t price	2.92	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Kaijia ng Shuya ng Plasma a Collec tion Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on- makin g proce dures for relate d party	Marke t price	2.39	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO

				transac tions									
Santai Shuya ng Plasm a Collec tion Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-mak ing proce dures for relate d party transa ctions	Marke t price	1.59	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Jiangy ou Shuya ng Plasm a Collec tion Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-mak ing proce dures for relate d party transa ctions	Marke t price	1.59	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Guan ghan Shuya ng Plasm a Collec tion Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-mak ing proce	Marke t price	1.49	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO

				dures for related party transactions									
Grand Life Sciences (Shandong) Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	1.44	0.00%	250	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Sichuan Grand Biotechnology Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	0.85	0.00%	250	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Cangxi Shuyang Plasma Collection Co.,	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's	Market price	0.8	0.00%	57	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

Ltd.	any			decisi on- makin g proce dures for relate d party transa ctions									
Longc hang Shuya ng Plasm a Collec tion Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on- makin g proce dures for relate d party transa ctions	Marke t price	0.8	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Rong' an Shuya ng Plasm a Collec tion Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on- makin g proce dures for relate d party transa ctions	Marke t price	0.8	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Yantin g Shuya ng	Subsi diary of contro	Sales of drugs	Sales of drugs	Marke t price deter mined	Marke t price	0.8	0.00%	57	No	Cash, bank accept ance	Marke t price	April 18, 2025	CNIN FO

Plasma Collection Co., Ltd.	Major shareholder of the Company			According to the Company's decision-making procedures for related party transactions						bill			
Jiange Shuyang Plasma Collection Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	0.8	0.00%	57	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Mianyang Anzhou District Shuyang Plasma Collection Co., Ltd.	Subsidiary of controlling shareholder of the Company	Sales of drugs	Sales of drugs	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	0.8	0.00%	57	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				ctions									
Sheho ng Shuya ng Plasm a Collec tion Statio n Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-makin g proce dures for relate d party transa ctions	Marke t price	0.8	0.00%	57	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
China Grand Enter prises, Inc.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-makin g proce dures for relate d party transa ctions	Marke t price	0.66	0.00%	250	Yes	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO
Chang shu Lei Yun Shang Pharm aceuti cal Co., Ltd.	Subsi diary of contro lling shareh older of the Comp any	Sales of drugs	Sales of drugs	Marke t price deter mined accor ding to the Comp any's decisi on-makin g proce dures	Marke t price	0.29	0.00%	500	No	Cash, bank accept ance bill	Marke t price	April 18, 2025	CNIN FO

				for related party transactions									
Xi'an Grand Deten Pharmaceutical Co., Ltd.	Subsidiary of controlling shareholder of the Company	Agency services	Agency services	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	5,938.87	0.14%	3,879	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Hangzhou Grand Biologic Pharmaceutical Inc.	Subsidiary of controlling shareholder of the Company	Technical services	Technical services	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	38.68	0.00%	200	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Chongqing Peg-Bio Biopharm Co., Ltd.	Associate of the Company	Formulation filling service	Formulation filling service	Market price determined according to the Company's decision	Market price	295.38	0.01%	380	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

				on-making procedures for related party transactions									
Grand Shuyang Life Sciences (Chengdu) Co., Ltd.	Subsidiary of controlling shareholder of the Company	Transportation and warehousing service	Transportation and warehousing service	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	13.24	0.00%	15	No	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Hangzhou Sihang Biotechnology Co., Ltd.	Subsidiary of controlling shareholder of the Company	Technical services	Technical services	Market price determined according to the Company's decision-making procedures for related party transactions	Market price	5.19	0.00%	70	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO
Beijing Yanhuang Real	Subsidiary of controlling	Houses and buildings	Houses and buildings	Market price determined according	Market price	246.65	0.01%	0	Yes	Cash, bank acceptance bill	Market price	April 18, 2025	CNINFO

Estate Co., Ltd.	shareholder of the Company			ding to the Company's decision-making procedures for related party transactions									
Total				--	--	41,212.12	--	40,898.62	--	--	--	--	--
Details of significant sales returns				Not applicable									
Estimated total amount of daily related party transactions expected to occur in the current period by category, and the actual fulfillment during the reporting period (if any)				For 2025, the Company and its subsidiaries estimated to enter into routine related party transactions in the amount of RMB 408.9862 million, including RMB 402.2862 million with entities affiliated with China Grand Enterprises and RMB 6.7 million with other related parties. (For details, please refer to the <i>Announcement on the Estimated Routine Related Party Transactions for 2025</i> disclosed by the Company on the website of Cninfo on April 18, 2025.) In 2025, the actual amount of routine related party transactions conducted by the Company and its subsidiaries was RMB 412.1212 million, of which RMB 409.1673 million was incurred with entities affiliated with China Grand Enterprises and RMB 2.9538 million with other related parties. The variance between the actual and estimated total amounts of routine related party transactions in 2025 was 0.77%, which does not constitute a material deviation and is generally consistent with the Company's estimates.									
Reasons for significant differences between transaction prices and market prices (if applicable)				Not applicable									

2. Related party transactions involving the acquisition or selling assets and equity

Applicable Not applicable

During the reporting period, the company did not have any related party transactions arising from the acquisition or sale of assets or equity interests.

3. Related party transactions of joint investments abroad

Applicable Not applicable

The company did not have any related party transactions of joint investments abroad during the reporting period.

4. Related-party receivables and payables

Applicable Not applicable

The company did not have any related credit and debt transactions during the reporting period.

5. Transactions with related-party financial companies

Applicable Not applicable

There was no deposit, loan, credit or other financial business among the Company, the finance company with which the Company has established a relationship, and the related parties.

6. Transactions between the Company's controlled financial subsidiaries and related parties

Applicable Not applicable

There was no deposit, loan, credit facility or other financial transactions between the finance companies controlled by the Company and related parties.

7. Other major related party transactions

Applicable Not applicable

The Company did not have other significant related party transactions during the reporting period.

XV. Major contracts and their fulfillment

1. Entrustment, contracting and leasing

(1) Trusteeship

Applicable Not applicable

The company did not have trusteeship during the reporting period.

(2) Contracting

Applicable Not applicable

The company did not have contracting during the reporting period.

(3) Leasing

Applicable Not applicable

Lease description

Refer to the relevant content in "Section VIII Financial Report - VII. Notes to items of consolidated financial statement - 82. Leasing"

Items that brought gains and losses to the Company amounting to more than 10% of the Company's total profit during the reporting period

Applicable Not applicable

There was no leasing item that brought gains and losses to the Company amounting to more than 10% of the Company's total profit during the reporting period.

2. Important guarantees

Applicable Not applicable

Unit: RMB 10,000

External guarantees by the Company and its subsidiaries (excluding guarantees for subsidiaries)

Name of guarantee recipient	Disclose date of announcement regarding the guarantee quota	Guarantee quota	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it has been fulfilled	Whether it is a guarantee for related parties
/						/	/	/		
The company's guarantees for its subsidiaries										
Name of guarantee recipient	Disclose date of announcement regarding the guarantee quota	Guarantee quota	Actual occurrence date	Actual guaranteed amount	Type of guarantee	Collateral (if any)	Counter-guarantee (if any)	Guarantee period	Whether it has been fulfilled	Whether it is a guarantee for related parties
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 18, 2025	155,000	July 25, 2025	7,038.72	Joint and several liability guarantee	None	None	1 year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 18, 2025	155,000	August 14, 2025	3,522.45	Joint and several liability guarantee	None	None	1 year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 18, 2025	155,000	October 30, 2025	6,903.87	Joint and several liability guarantee	None	None	1 year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 18, 2025	155,000	November 20, 2025	13,778.43	Joint and several liability guarantee	None	None	1 year	No	No

Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 18, 2025	155,000	December 23, 2025	3,186.34	Joint and several liability guarantee	None	None	1 year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 18, 2024	155,000	August 26, 2024	500	Joint and several liability guarantee	None	None	1 year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Co., Ltd.	April 18, 2025	155,000	December 26, 2025	5,000	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Supply Chain Management (Jinhua) Co., Ltd.	April 19, 2019	20,000		0				10 years	No	No
Huadong Medicine (Xi'an) Bodyguard Pharmaceutical Co., Ltd.	July 22, 2024	5,284.7	July 19, 2024	5,284.7	Joint and several liability guarantee	None	None	2 years	No	No
Huadong Medicine (Xi'an) Bodyguard Pharmaceutical Co., Ltd.	April 18, 2025	37,000	June 23, 2025	27,681.26	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine	April 18, 2025	16,000	September 18, 2025	2,850	Joint and several liability guarantee	None	None	1 year	No	No

Ningbo Sales Co., Ltd.					e					
Huadong Medicine Ningbo Sales Co., Ltd.	April 18, 2025	16,000	October 28, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Ningbo Sales Co., Ltd.	April 18, 2025	16,000	October 28, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Ningbo Sales Co., Ltd.	April 18, 2025	16,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Ningbo Sales Co., Ltd.	April 18, 2025	16,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Ningbo Sales Co., Ltd.	April 18, 2025	16,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Jinhua Co., Ltd.	April 18, 2025	15,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Jinhua Co., Ltd.	April 18, 2025	15,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Jinhua Co., Ltd.	April 18, 2025	15,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Jinhua	April 18, 2025	15,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No

Co., Ltd.					e					
Huadong Medicine Huzhou Co., Ltd.	April 18, 2025	19,300	September 26, 2025	4,275	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Huzhou Co., Ltd.	April 18, 2025	19,300	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Huzhou Co., Ltd.	April 18, 2025	19,300	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Huzhou Co., Ltd.	April 18, 2025	19,300	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 18, 2025	20,000	September 18, 2025	2,850	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 18, 2025	20,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 18, 2025	20,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Shaoxing Co., Ltd.	April 18, 2025	20,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine	April 18, 2025	5,000	July 7, 2025	79.86	Joint and several liability guarantee	None	None	1 year	No	No

(Hangzhou) Biological Product Co., Ltd.					e					
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	July 28, 2025	34.7	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	August 4, 2025	39.33	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	August 11, 2025	133.7	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	August 18, 2025	37.3	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	October 9, 2025	122.93	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	October 13, 2025	61.75	Joint and several	None	None	1 year	No	No

Medicine (Hangzhou) Biological Product Co., Ltd.					liability guarantee					
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	October 23, 2025	3.92	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	November 10, 2025	3.84	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	November 17, 2025	7.03	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	November 21, 2025	2.04	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	November 26, 2025	9.23	Joint and several liability guarantee	None	None	1 year	No	No

Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	December 15, 2025	15.65	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	December 18, 2025	285	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Hangzhou) Biological Product Co., Ltd.	April 18, 2025	5,000	December 26, 2025	3,000	Joint and several liability guarantee	None	None	1 year	No	No
Joyang Laboratories	April 18, 2025	5,000		0				1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	July 4, 2025	3,000	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	August 6, 2025	3,000	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	August 14, 2025	1,000	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine	April 18, 2025	24,000	October 28, 2025	51.51	Joint and several liability	None	Proportional guarantee	1 year	No	No

e Wenzho u Co., Ltd.					guarante e		e			
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2025	24,000	October 28, 2025	69.72	Joint and several liability guarante e	None	Proporti onal guarante e	1 year	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2025	24,000	October 28, 2025	15.84	Joint and several liability guarante e	None	Proporti onal guarante e	1 year	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2025	24,000	October 28, 2025	318.86	Joint and several liability guarante e	None	Proporti onal guarante e	1 year	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2025	24,000	Novemb er 26, 2025	69.6	Joint and several liability guarante e	None	Proporti onal guarante e	1 year	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2025	24,000	Novemb er 26, 2025	17.26	Joint and several liability guarante e	None	Proporti onal guarante e	1 year	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2025	24,000	Novemb er 26, 2025	237.92	Joint and several liability guarante e	None	Proporti onal guarante e	1 year	No	No
Huadon g Medicin e Wenzho u Co., Ltd.	April 18, 2025	24,000	Novemb er 26, 2025	11.73	Joint and several liability guarante e	None	Proporti onal guarante e	1 year	No	No
Huadon g Medicin e	April 18, 2025	24,000	Decemb er 23, 2025	69.07	Joint and several liability guarante	None	Proporti onal guarante e	1 year	No	No

Wenzhou Co., Ltd.					e					
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	December 23, 2025	210.9	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	December 23, 2025	32.51	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	December 23, 2025	116.79	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	July 4, 2025	1,000	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	December 4, 2025	1,760	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	November 18, 2025	110.56	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Wenzhou Co., Ltd.	April 18, 2025	24,000	December 15, 2025	129.44	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine Lishui Co., Ltd.	April 18, 2025	15,000	November 25, 2025	712.5	Joint and several liability guarantee	None	Guarantee + financial loan	1 year	No	No

Huadong Medicine Lishui Co., Ltd.	April 18, 2025	15,000	November 25, 2025	950	Joint and several liability guarantee	None	Guarantee + financial loan	1 year	No	No
Huadong Medicine Lishui Co., Ltd.	April 18, 2025	15,000	November 25, 2025	950	Joint and several liability guarantee	None	Guarantee + financial loan	1 year	No	No
Huadong Medicine Lishui Co., Ltd.	April 18, 2025	15,000	November 25, 2025	950	Joint and several liability guarantee	None	Guarantee + financial loan	1 year	No	No
Huadong Medicine Daishan Co., Ltd.	April 18, 2025	2,500		0				1 year	No	No
Huadong Medicine Cunde (Zhoushan) Co., Ltd.	April 18, 2025	7,600	September 24, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine Cunde (Zhoushan) Co., Ltd.	April 18, 2025	7,600	November 27, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Hangzhou Zhongmei Huadong Pharmaceutical Jiangdong Co., Ltd.	April 18, 2025	60,000		0				1 year	No	No
Hangzhou Huadong Medicine Chain Co., Ltd.	April 18, 2025	10,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No
Hangzhou Huadong	April 18, 2025	10,000	December 12, 2025	950	Joint and several liability guarantee	None	None	1 year	No	No

Medicine Chain Co., Ltd.					e					
Hubei Magic Health Technology Co., Ltd.	April 18, 2025	3,600	September 5, 2025	57.68	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2025	3,600	October 23, 2025	64.98	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2025	3,600	November 14, 2025	50.05	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Hubei Magic Health Technology Co., Ltd.	April 18, 2025	3,600	December 16, 2025	105.06	Joint and several liability guarantee	None	Proportional guarantee	1 year	No	No
Huadong Medicine (Jiaxing) Co., Ltd.	April 18, 2025	10,000		0				1 year	No	No
Zhejiang Yiqun Biological Pharmaceutical Trading Co., Ltd.	April 18, 2025	2,000		0				1 year	No	No
Hangzhou Huayi Pharmacy Co., Ltd.	April 18, 2025	3,000		0				1 year	No	No
Hangzhou Huadong Wulin Pharmacy Co., Ltd.	April 18, 2025	1,000		0				1 year	No	No
Anhui Meihua Hi-Tech Pharmace	April 18, 2025	5,000	July 25, 2025	485.95	Joint and several liability guarantee	None	None	1 year	No	No

eutical Co., Ltd.					e					
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	August 14, 2025	49.55	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	August 20, 2025	281.3	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	August 28, 2025	328.51	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	September 10, 2025	143.62	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	September 23, 2025	83.25	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	October 10, 2025	306.17	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	October 17, 2025	102.17	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	October 29, 2025	407.03	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	November 5, 2025	101.39	Joint and several liability guarantee	None	None	1 year	No	No
Anhui	April 18,	5,000	Novemb	242.34	Joint and	None	None	1 year	No	No

Meihua Hi-Tech Pharmaceutical Co., Ltd.	2025		er 25, 2025		several liability guarantee					
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	December 19, 2025	97.68	Joint and several liability guarantee	None	None	1 year	No	No
Anhui Meihua Hi-Tech Pharmaceutical Co., Ltd.	April 18, 2025	5,000	December 29, 2025	290.42	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine International Trade (Zhejiang) Co., Ltd.	April 18, 2025	10,000		0				1 year	No	No
Huadong Pharmaceutical Sales (Zhejiang) Co., Ltd.	April 18, 2025	5,000		0				1 year	No	No
Wuhu Huaren Science and Technology Co., Ltd.	April 18, 2025	3,000		0				1 year	No	No
Huadong Medicine (Guizhou) Pharmaceutical Co., Ltd.	April 18, 2025	20,000	September 26, 2025	2,603.36	Joint and several liability guarantee	None	None	1 year	No	No
Huadong Medicine (Guizhou)	April 18, 2025	20,000	November 10, 2025	1,539.01	Joint and several liability guarantee	None	None	1 year	No	No

Pharmaceutical Co., Ltd.										
Bailing Health Science (Hangzhou) Co., Ltd.	April 18, 2025	1,200		0				1 year	No	No
Gongwei Lianchuang (Shanghai) Biotechnology Co., Ltd.	April 18, 2025	2,000	September 28, 2025	26.51	Joint and several liability guarantee	None	None	1 year	No	No
Gongwei Lianchuang (Shanghai) Biotechnology Co., Ltd.	April 18, 2025	2,000	October 20, 2025	20.73	Joint and several liability guarantee	None	None	1 year	No	No
Gongwei Lianchuang (Shanghai) Biotechnology Co., Ltd.	April 18, 2025	2,000	October 29, 2025	4.63	Joint and several liability guarantee	None	None	1 year	No	No
Jiangsu Nanjing Nongda Animal Pharmaceutical Co., Ltd.	April 18, 2025	1,000		0				1 year	No	No
Total approved guarantee quota for subsidiaries during the reporting period (B1)			458,200		Total actual guarantee amount for subsidiaries during the reporting period (B2)					121,147.95
Total approved guarantee quota for subsidiaries at the end of the reporting period (B3)			638,484.7		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)					126,932.65
Guarantees provided by subsidiaries to other subsidiaries										
Name of	Disclosu	担保额	Actual	Actual	Type of	Collatera	Counter-	Guarante	Whether	Whether

guarantee recipient	re date of announcement regarding the guarantee quota	度	occurrence date	guaranteed amount	guarantee	l (if any)	guarantee (if any)	period	it has been fulfilled	it is a guarantee for related parties
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	April 21, 2025	5.49	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	April 25, 2025	10.44	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	April 29, 2025	19.14	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	May 15, 2025	15.79	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	May 20, 2025	58.54	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	May 28, 2025	12.01	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	June 6, 2025	15.41	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	June 12, 2025	79.95	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	June 26, 2025	15.65	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes

ng Peg-Bio Biopharm Co., Ltd.	2025		2025		several liability guarantee		onal guarantee			
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	July 10, 2025	22.48	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	July 14, 2025	8.06	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	July 23, 2025	14.31	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	July 31, 2025	14.49	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	August 7, 2025	24.31	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	August 21, 2025	9.85	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	September 15, 2025	8.06	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	October 16, 2025	23.43	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm	April 18, 2025	1,396.4	October 28, 2025	6.65	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes

m Co., Ltd.					e					
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	November 13, 2025	32.21	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	December 16, 2025	30.37	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2025	1,396.4	December 31, 2025	2.79	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	May 7, 2024	116.37	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	July 26, 2024	62	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	August 21, 2024	33.23	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	August 23, 2024	49.1	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Chongqing Peg-Bio Biopharm Co., Ltd.	April 18, 2024	1,396.4	September 2, 2024	52.06	Joint and several liability guarantee	None	Proportional guarantee	3 years	No	Yes
Total approved guarantee quota for subsidiaries during the reporting period (C1)		1,396.4			Total actual guarantee amount for subsidiaries during the reporting period (C2)					429.43
Total approved guarantee quota for		2,792.8			Total actual guarantee balance					742.2

subsidiaries at the end of the reporting period (C3)		for subsidiaries at the end of the reporting period (C4)	
Total Company guarantees (sum of the fore-mentioned three major items)			
Total approved guarantee quota during the reporting period (A1 + B1 + C1)	459,596.4	Total actual guarantee amount during the reporting period (A2 + B2 + C2)	121,577.38
Total approved guarantee quota at the end of the reporting period (A3 + B3 + C3)	641,277.5	Total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)	127,674.85
Proportion of total actual guarantees (i.e., A4 + B4 + C4) in the Company's net assets			5.15%
Incl.:			
Balance of guarantees provided for shareholders, de facto controllers, and their related parties (D)			0
Outstanding debt guarantees provided directly or indirectly to guarantee recipients with an asset liability ratio exceeding 70% (E)			28,136.1
Amount of guarantees exceeding 50% of net assets (F)			0
Total of the above three guaranteed amounts (D + E + F)			28,136.1
Explanation of situations where, for unexpired guarantee contracts, guarantee liabilities arise during the reporting period or there is evidence indicating a possible assumption of joint and several liquidation liabilities (if any)	Not applicable		
Explanation of guarantees provided externally in violation of prescribed procedures (if any)	Not applicable		

Explanation of specific situations for composite guarantee

3. Entrusted management of cash assets

(1) Entrusted wealth management

Applicable Not applicable

The Company did not have any entrusted wealth management during the reporting period.

(2) Entrusted loans

Applicable Not applicable

The Company had no entrusted loans during the reporting period.

4. Other significant contracts

Applicable Not applicable

The Company did not have any other significant contracts during the reporting period.

XVI. Use of raised funds

Applicable Not applicable

The Company had no use of raised funds during the reporting period.

XVII. Other major events

Applicable Not applicable

The Company had no other significant matters requiring explanation during the reporting period.

XVIII. Major events of subsidiaries

Applicable Not applicable

(I) As of the date of the Report, the liquidation of Huadong Ningbo Medicine Co., Ltd. has reached a stage under the supervision of the court where major assets have been disposed of, with only the collection of remaining receivables pending. The Company will actively advance the subsequent liquidation. During this reporting period, the Company recognized an investment income of RMB -600,622.9 by using the equity method.

(II) Information on major pharmaceutical items (products) included in, newly added to, or removed from the National Reimbursement Drug List

In December 2025, the National Healthcare Security Administration (NHSA) and the Ministry of Human Resources and Social Security (MOHRSS) jointly issued the *National Reimbursement Drug List for Basic Medical Insurance, Maternity Insurance, and Work Injury Insurance* (hereinafter referred to as the "2025 Reimbursement Drug List") and the *Commercial Health Insurance Innovative Drug List (2025)* (hereinafter referred to as the "Commercial Insurance Innovative Drug List"), both of which officially came into effect on January 1, 2026.

As of the release date of this Report, a total of 55 core products (comprising 11 Class A and 45 Class B products) and 15 strategic collaboration products (including 1 Class A and 14 Class B products) of the Company, which were approved for marketing, have been included in the 2025 Reimbursement Drug List. Specifically, the Company's marketed product, Carfilzomib for Injection,

along with its strategic collaboration products, namely, Etanercept Solution for Injection, Mulberry Twig Total Alkaloids, Epimedium Brevicornu Soft Capsules, Ganagliflozin Proline Tablets, Senaparib Capsules, and Linaprazan Glurate Capsules, fall under the "negotiated drugs during the agreement period" section of the 2025 Reimbursement Drug List. Tacrolimus Granules are included in the "bidding drugs" section of the 2025 Reimbursement Drug List, and the strategic collaboration product Zevorcabtagene Autoleucel Injection is included in the Commercial Insurance Innovative Drug List.

Section VI Share Changes and Shareholders Information

I. Changes in shares

1. Changes in shares

Unit: Shares

	Before the change		Change in the period (+/-)					After the change	
	Quantity	Ratio	New shares	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Quantity	Ratio
I. Shares subject to trading restrictions	2,321,320	0.13%	0	0	0	- 1,324,620	- 1,324,620	996,700	0.06%
1. Shares held by the State	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by the state-owned corporations	0	0.00%	0	0	0	0	0	0	0.00%
3. Shares held by other domestic investors	2,253,320	0.13%	0	0	0	- 1,256,620	- 1,256,620	996,700	0.06%
Incl.: Shares held by domestic corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	2,253,320	0.13%	0	0	0	- 1,256,620	- 1,256,620	996,700	0.06%
4. Shares held by overseas investors	68,000	0.00%	0	0	0	-68,000	-68,000	0	0.00%

Incl.: shares held by overseas corporations	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by overseas natural persons	68,000	0.00%	0	0	0	-68,000	-68,000	0	0.00%
II. Shares without trading restrictions	1,751,941,228	99.87%	0	0	0	1,083,120	1,083,120	1,753,024,348	99.94%
1. Common shares in RMB	1,751,941,228	99.87%	0	0	0	1,083,120	1,083,120	1,753,024,348	99.94%
2. Foreign capital shares listed in China	0	0.00%	0	0	0	0	0	0	0.00%
3. Foreign capital shares listed overseas	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	1,754,262,548	100.00%	0	0	0	-241,500	-241,500	1,754,021,048	100.00%

Reason for changes in shares

Applicable Not applicable

During the reporting period, the Company completed two separate repurchases and cancellations of restricted stocks under the Restricted Stock Incentive Plan in 2022, involving 185,500 shares and 56,000 shares respectively. This resulted in the repurchase and cancellation of a total of 241,500 restricted stocks, thereby reducing the Company's total shares by 241,500 shares.

During the reporting period, as the conditions were met for the second restriction release period of the reserved restricted shares granted under the Restricted Stock Incentive Plan in 2022, the Company completed the restriction release procedures for 175,000 restricted stocks. Upon attainment of the conditions for the third restriction release period of first grant of the restricted

shares granted under the Restricted Stock Incentive Plan in 2022, the Company completed the restriction release procedures for 1,275,120 restricted stocks. As a result, the Company's restricted stocks under equity incentives decreased by a total of 1,450,120 shares due to release during the reporting period. During the reporting period, the Company's restricted stocks under equity incentives decreased by a total of 1,691,620 shares due to release, repurchase and cancellation. During the reporting period, the Company's locked-up stocks held by the senior management increased by a total of 367,000 shares. During the reporting period, due to the decrease in restricted stocks under equity incentives and the increase in locked-up stocks held by the senior management, the Company's stocks with trading restrictions decreased by 1,324,620 shares.

Due to the release of restricted stocks under equity incentives and the increase in locked-up stocks held by the senior management, the Company's stocks without trading restrictions increased by a total of 1,083,120 shares during the reporting period.

Approval of changes in shares

Applicable Not applicable

(1) On August 8, 2022, the Company convened the 2nd Meeting of the 10th Board of Directors and the 2nd Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: the *Proposal on the Company's Restricted Stock Incentive Plan in 2022 (Draft) and Its Abstract*, the *Proposal on Management Rules for the Implementation and Assessment of the Company's Restricted Stock Incentive Plan in 2022*, the *Proposal on the Management Rules of the Company's Restricted Stock Incentive Plan in 2022*, and the *Proposal on Applying to the General Meeting of Shareholders for Authorizing the Board of Directors to Handle Equity Incentive-related Matters*. Independent directors provided their independent opinions on whether this incentive plan is conducive to the Company's sustainable development and whether it may harm the interests of the Company and all shareholders. For specific details, please refer to the relevant announcement published by the Company on CNINFO on August 10, 2022.

(2) On August 10, 2022, the Company disclosed the *Announcement on Independent Directors Publicly Soliciting Proxy Voting Rights* on Cninfo (<http://www.cninfo.com.cn>). Mr. Wang Ruwei, an Independent Director of the Company, acting as the convener and commissioned by other independent directors, publicly solicited proxy voting rights from all shareholders of the Company for the proposals related to the Restricted Stock Incentive Plan in 2022 reviewed at the 1st Extraordinary General Meeting of Shareholders in 2022, which was set to be convened on August 31, 2022.

(3) From August 15 to 25, 2022, the Company posted on its intranet the list of the first batch of incentive recipients under the Restricted Stock Incentive Plan in 2022, for a total of 10 days. By the

end of the public announcement period on August 25, 2022, the Board of Supervisors had not received any objections against the incentive recipients from any individuals. On August 25, 2022, the Board of Supervisors of the Company convened a meeting to review and approve the *Verification Opinions and Announcement Note on the List of the First Batch of Incentive Recipients under the Company's Restricted Stock Incentive Plan in 2022*. The Company then disclosed these Verification Opinions and relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(4) On August 31, 2022, the Company convened the 1st Extraordinary General Meeting in 2022, on which the following proposals were reviewed and approved: the *Proposal on the Company's Restricted Stock Incentive Plan in 2022 (Draft) and Its Abstract*, the *Proposal on Management Rules for the Implementation and Assessment of the Company's Restricted Stock Incentive Plan in 2022*, the *Proposal on the Management Rules of the Company's Restricted Stock Incentive Plan in 2022*, and the *Proposal on Applying to the General Meeting of Shareholders for Authorizing the Board of Directors to Handle Equity Incentive-related Matters*. On the same day, the Company disclosed the *Self-Inspection Report on Trading of Company Shares by Insiders and Incentive Recipients under Restricted Stock Incentive Plan in 2022* and related announcements on Cninfo (<http://www.cninfo.com.cn>). This incentive plan was approved at the Company's 1st Extraordinary General Meeting in 2022, and the Board of Directors was authorized to implement the Company's Restricted Stock Incentive Plan in 2022 and handle relevant matters according to the laws and regulations.

(5) On October 27, 2022, the Company convened the 4th Meeting of the 10th Board of Directors and the 5th Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: the *Proposal on Adjustments of the Company's Restricted Stock Incentive Plan in 2022*, and the *Proposal on Granting Restricted Stocks to the First Batch of Incentive Recipients under the Restricted Stock Incentive Plan in 2022*. The Board of Directors confirmed that the grant conditions under the incentive plan were satisfied. The Board of Supervisors re-verified the list of incentive recipients on the first grant date and provided opinions on the adjustment and grant. The Company's independent directors agreed on the above proposals, with related reports prepared by the lawyers and independent financial advisers. On October 28, 2022, the Company disclosed the relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(6) On November 9, 2022, the Company disclosed the *Announcement on Completion of Registration of the First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The Company completed the registration of the restricted stocks initially granted under the Restricted Stock Incentive Plan in 2022, and the listing date of the granted restricted stocks was November 15, 2022.

(7) On July 12, 2023, the Company convened the 12th Meeting of the 10th Board of Directors and the 8th Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: the *Proposal on Adjusting the Grant Price of Reserved Stocks under the Restricted Stock Incentive Plan in 2022* and the *Proposal on Granting Reserved Restricted Stocks to Incentive Recipients under the Restricted Stock Incentive Plan in 2022*. The Board of Directors confirmed that reserved conditions of the incentive plan for granting restricted stocks were fulfilled, and the Board of Supervisors re-verified the list of incentive recipients on the date of granting reserved stocks, and provided opinions on the grant. The Company's independent directors agreed on the above proposals, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(8) From July 13 to 23, 2023, the Company publicly displayed the list of incentive recipients for the reserved restricted stocks under this Restricted Stock Incentive Plan through its OA system, for a total of 10 days. By the end of the public announcement period on July 23, 2023, the Board of Supervisors had not received any objections against the incentive recipients from any individuals. On July 26, 2023, the Company convened a meeting of the Board of Supervisors, on which the following proposals were reviewed and approved: the *Verification Opinions of the Board of Supervisors and Announcement Note on the List of Incentive Recipients for Reserved Restricted Stocks Granted under the Company's Restricted Stock Incentive Plan in 2022*. On the same day, the Company disclosed the *Verification Opinions of the Board of Supervisors and Announcement Note on the List of Incentive Recipients for Reserved Restricted Stocks Granted under the Company's Restricted Stock Incentive Plan in 2022* and related announcements on Cninfo (<http://www.cninfo.com.cn>).

(9) On September 27, 2023, the Company disclosed the *Announcement on Completion of the Reserved Grant under the Restricted Stock Incentive Plan in 2022*. The Company completed the registration of the reserved restricted stocks granted under the Restricted Stock Incentive Plan in 2022, and the listing date of the granted restricted stocks was September 28, 2023.

(10) On November 21, 2023, the Company convened the 18th Meeting of the 10th Board of Directors and the 12th Meeting of the 10th Board of Supervisors, on which the following proposals were reviewed and approved: *Proposal on the Fulfillment of Conditions for the First Restriction Release Period of the Initial Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*, the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks*. The Board of Directors confirmed that the conditions for releasing restrictions during the first restriction release period of the first grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had

been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors approved the completion of the procedures for releasing the restrictions on 1,220,940 restricted stocks under the first restriction release period for 108 incentive recipients. The Board of Directors also approved the repurchase and cancellation of a total of 97,800 restricted stocks that had been granted but not yet released, corresponding to 4 incentive recipients who were no longer eligible due to resignation and 2 incentive recipients who failed to fully meet the individual performance assessment criteria for the first restriction release period. The Company's independent directors issued concurring independent opinions on the relevant matters, and the Board of Supervisors provided verification opinions, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(11) On December 1, 2023, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the First Restriction Release Period for First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the first restriction release period of the first grant under the Restricted Stock Incentive Plan in 2022 became tradable on December 5, 2023.

(12) On December 8, 2023, the Company convened its 2nd Extraordinary General Meeting in 2023, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Altering the Registered Capital and Amending the Articles of Association* were approved after review. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of January 24, 2024, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(13) On March 28, 2024, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Stocks*. On March 26, 2024, the Company completed the procedures for repurchase and cancellation of 97,800 restricted stocks in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(14) On May 30, 2024, the Company convened the 24th Meeting of the 10th Board of Directors and the 16th meeting of the 10th Board of Supervisors, during which the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* were reviewed and approved. The Board of Directors agreed to repurchase and cancel a total of 65,000 restricted stocks that had been granted but not yet released from restrictions, corresponding to 5 incentive recipients who were no

longer eligible due to resignation. The Board of Supervisors provided verification opinions on the relevant matters, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(15) On June 18, 2024, the Company convened its 1st Extraordinary General Meeting in 2024, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Expanding the Business Scope, Altering the Registered Capital and Amending the "Articles of Association"* were reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of August 05, 2024, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(16) On August 29, 2024, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Stocks*. On August 27, 2024, the Company completed the procedures for repurchase and cancellation of 65,000 restricted stocks in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(17) On October 10, 2024, the Company convened the 28th Meeting of the 10th Board of Directors and the 18th Meeting of the 10th Board of Supervisors. During these two meetings, the *Proposal on the Fulfillment of the Release Conditions during the First Restriction Release Period of the Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022* was reviewed and approved. The Board of Directors confirmed that the conditions for releasing restrictions during the first restriction release period of the reserved grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors approved the completion of the procedures for releasing the restrictions on 192,500 restricted stocks under the first restriction release period for 18 incentive recipients. The Board of Supervisors provided verification opinions on the relevant matters, with related reports prepared by the lawyers and independent financial advisers. On the same day, the Company disclosed the relevant announcement on CNINFO.

(18) On October 24, 2024, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the First Restriction Release Period of Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the first restriction release period of the reserved grant under the Restricted Stock Incentive Plan in 2022 became tradable on October 28, 2024.

(19) On November 25, 2024, the Company convened the 30th Meeting of the 10th Board of Directors and the 20th Meeting of the 10th Board of Supervisors, during which the following proposals were reviewed and approved: *Proposal on the Fulfillment of the Release Conditions during the Second Restriction Release Period for First Grant of Reserved Restricted Stocks under the Restricted Stock Incentive Plan in 2022*, the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks*. The Board of Directors confirmed that the conditions for releasing restrictions during the second restriction release period of the first grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors approved the completion of the procedures for releasing the restrictions on 1,063,740 restricted stocks under the second restriction release period for 90 incentive recipients. The Board of Directors also approved the repurchase and cancellation of a total of 185,500 restricted stocks that had been granted but not yet released from restrictions, corresponding to 1 incentive recipient who was no longer eligible due to resignation, 16 incentive recipients whose individual performance assessment results for the second restriction release period were unqualified, and 1 reserved incentive recipient whose individual performance assessment results for the first restriction release period were unqualified. The Board of Supervisors provided verification opinions on the relevant matters, with related reports prepared by the lawyers and independent financial advisers. On November 27, 2024, the Company disclosed the relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(20) On December 13, 2024, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the Second Restriction Release Period for First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the second restriction release period of the first grant under the Restricted Stock Incentive Plan in 2022 became tradable on December 16, 2024.

(21) On December 20, 2024, the Company convened its 2nd Extraordinary General Meeting in 2024, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Expanding the Business Scope, Altering the Registered Capital and Amending the "Articles of Association"* were reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of February 5, 2025, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(22) On March 28, 2025, the Company disclosed the *Announcement on the Completion of the Repurchase and Cancellation of Certain Restricted Stocks*. On March 26, 2025, the Company completed the procedures for repurchase and cancellation of 185,500 restricted stocks in Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(23) On June 27, 2025, the Company convened the 34th Meeting of the 10th Board of Directors and the 24th Meeting of the 10th Board of Supervisors, where the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks and Reduction of the Company's Registered Capital* were reviewed and approved. The Board of Directors agreed to repurchase and cancel a total of 56,000 restricted stocks that had been granted but not yet released from restrictions, corresponding to 6 incentive recipients who were no longer eligible due to resignation, and to reduce the Company's registered capital accordingly. The Board of Supervisors provided verification opinions on the relevant matters. with related reports prepared by the lawyers and independent financial advisers. On July 01, 2025, the Company disclosed the relevant announcement on CNINFO.

(24) On July 16, 2025, the Company convened its 1st Extraordinary General Meeting in 2025, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks and Reduction of the Company's Registered Capital* was reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of September 1, 2025, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(25) On September 11, 2025, the Company disclosed the *Announcement on the Completion of Repurchase and Cancellation of Certain Restricted Stocks*. On September 9, 2025, the Company completed the procedures for repurchase and cancellation of 56,000 restricted stocks at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

(26) On October 13, 2025, the Company convened the 3rd Meeting of the 11th Board of Directors, where the *Proposal on the Fulfillment of Conditions for the Second Restriction Release Period of Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022* was reviewed and approved. The Board of Directors confirmed that the conditions for releasing restrictions during the second restriction release period of the reserved restricted stocks granted under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors

approved the completion of the procedures for releasing the restrictions on 175,000 restricted stocks under the second restriction release period for 16 incentive recipients. The Remuneration and Appraisal Committee of the Board of Directors issued verification opinions on relevant matters, while lawyers and independent financial advisors provided corresponding reports. On October 15, 2025, the Company disclosed the relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(27) On October 25, 2025, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the Second Restriction Release Period of Reserved Restricted Stocks Granted under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the second restriction release period of the reserved restricted stocks granted under the Restricted Stock Incentive Plan in 2022 became tradable on October 29, 2025.

(28) On November 20, 2025, the Company convened the 5th Meeting of the 11th Board of Directors, on which the following proposals were reviewed and approved: *Proposal on the Fulfillment of the Release Conditions during the Third Restriction Release Period for First Grant of Reserved Restricted Stocks under the Restricted Stock Incentive Plan in 2022*, the *Proposal on Adjusting the Repurchase Price of the Restricted Stock Incentive Plan in 2022* and the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks*. The Board of Directors believed that the conditions for releasing restrictions during the third restriction release period of the first grant of restricted stocks under the Restricted Stock Incentive Plan in 2022 had been satisfied. Pursuant to the authorization granted by the Company's 1st Extraordinary General Meeting in 2022, the Board of Directors agreed to handle the releasing procedures for 1,275,120 restricted stocks for 77 incentive recipients during the third restriction release period, and also approved the repurchase and cancellation of a total of 284,200 restricted stocks that had been granted but not yet released from trading restrictions, corresponding to 6 incentive recipients who were no longer eligible due to resignation, 16 incentive recipients whose individual performance assessment results for the third restriction release period were unqualified, 3 incentive recipients whose individual performance assessment results for the restriction release period were qualified among the initially granted incentive recipients, 1 reserved incentive recipient who was no longer eligible due to resignation, and 2 incentive recipients whose individual performance evaluations for the second restriction release period were unqualified among the incentive recipients of reserved grants. The Remuneration and Appraisal Committee of the Board of Directors issued verification opinions on relevant matters, while lawyers and independent financial advisors provided corresponding reports. On November 22, 2025, the Company disclosed the relevant announcements on Cninfo (<http://www.cninfo.com.cn>).

(29) On December 6, 2025, the Company disclosed the *Hint on Circulation of Restricted Stocks Released during the Third Restriction Release Period for First Grant of Restricted Stocks under the Restricted Stock Incentive Plan in 2022*. The restricted stocks released from the third restriction release period of the first grant under the Restricted Stock Incentive Plan in 2022 became tradable on December 10, 2025.

(30) On December 9, 2025, the Company convened its 2nd Extraordinary Shareholders' Meeting in 2025, where the *Proposal on Repurchase and Cancellation of Certain Restricted Stocks* and the *Proposal on Expanding the Business Scope, Altering the Registered Capital and Amending the "Articles of Association"* were reviewed and approved. On the same day, the Company disclosed the *Announcement on Reducing Registered Capital by Repurchasing and Canceling Some Restricted Stocks and Notifying Creditors*. As of January 23, 2026, the benchmark date for capital verification, i.e., within forty-five days from the date when the Company announced the reduction of capital, no creditor requested the Company to pay off its debts or provide corresponding guarantees.

(31) On March 7, 2026, the Company disclosed the *Announcement on the Completion of Repurchase and Cancellation of Certain Restricted Stocks*. On March 5, 2026, the Company completed the procedures for repurchase and cancellation of 284,200 restricted stocks at Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

Transfer of changed shares

Applicable Not applicable

In March 2025, the Company submitted the relevant registration materials to the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited for the repurchase and cancellation of 185,500 shares involved in the equity incentive plan. In the same month, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited issued the *Confirmation for Registration of Securities Transfer* to the Company, and the total share capital of the Company was reduced from 1,754,262,548.00 shares to 1,754,077,048.00 shares.

In September 2025, the Company submitted the relevant registration materials to the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited for the repurchase and cancellation of 56,000 shares involved in the equity incentive plan. In the same month, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited issued the *Confirmation for Registration of Securities Transfer* to the Company, and the total share capital of the Company was reduced from 1,754,077,048.00 shares to 1,754,021,048.00 shares.

In February 2026, the Company submitted the relevant registration materials to the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited for the repurchase and

cancellation of 284,200 shares involved in the equity incentive plan. In the same month, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited issued the *Confirmation for Registration of Securities Transfer* to the Company, and the total share capital of the Company was reduced from 1,754,021,048.00 shares to 1,753,736,848.00 shares.

Impact of share changes on financial indicators such as basic and diluted earnings per share, and net assets per share attributable to common shareholders of the Company in the last year and the latest period

Applicable Not applicable

Calculated based on the total number of stocks before the change in share capital (1,754,262,548 shares), the Company's basic earnings per share in 2025 were RMB 1.9463/share, diluted earnings/share were RMB 1.9463/share, and net assets per share attributable to common shareholders of the Company were RMB 14.12/share. Calculated based on the total number of stocks after the change in share capital (1,753,736,848 shares), the Company's basic earnings per share for 2025 were RMB 1.9484/share, diluted earnings per share were RMB 1.9465/share, and net assets per share attributable to common shareholders of the Company were RMB 14.15/share.

Overall, the aforementioned changes in share capital did not have a significant impact on the Company's financial indicators for the first half of 2025, including basic and diluted earnings per share, as well as net assets per share attributable to common shareholders.

Other contents deemed necessary by the Company or required to be disclosed by securities regulatory authorities

Applicable Not applicable

2. Changes in restricted stocks

Applicable Not applicable

Unit: Shares

Name of shareholder	Number of restricted stocks at the beginning of the period	Number of newly increased restricted stocks during the current period	Number of restricted stocks released during the current period	Number of restricted stocks at the end of the period	Reasons for sale restriction	Restriction release date
Zhang Jianfei	52,500	60,000	0	112,500	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Zhang Jianfei	60,000	0	0	60,000	Locked-up stocks for	Release of restrictions

					senior management	according to relevant regulations on the management of stocks held by senior management
Zhang Jianfei	60,000	0	60,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Lv Liang	70,000	80,000	0	150,000	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Lv Liang	80,000	0	80,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Zhu Li	22,500	0	0	22,500	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Zhu Li	52,500	60,000	0	112,500	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Zhu Li	60,000	0	60,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the

						Company's <i>Restricted Stock Incentive Plan in 2022</i>
Chen Bo	35,000	40,000	0	75,000	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Chen Bo	40,000	0	40,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Qiu Renbo	35,000	40,000	0	75,000	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Qiu Renbo	40,000	0	40,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Wu Hui	7,500	60,000	0	67,500	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Wu Hui	105,000	0	60,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the Company's <i>Restricted Stock Incentive Plan in 2022</i>

Li Xiaomu	40,000	0	0	40,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Zhu Liang	10,500	12,000	0	22,500	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Zhu Liang	12,000	0	12,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Zhang Zhongxing	10,000	0	10,000	0	Restricted stocks under equity incentive plan	Release the trading restrictions according to the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Zhang Zhongxing	0	15,000	0	15,000	Locked-up stocks for senior management	Release of restrictions according to relevant regulations on the management of stocks held by senior management
Wang Changli	12,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Yu Xi	40,000	0	28,000	12,000	Restricted stocks under	Handle the repurchase in

					equity incentive plan	accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Liu Jia	12,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Hu Qunyan	12,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Gong Wei	12,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Fang Jun	12,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Cheng Shaolin	21,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>

Wei Xuezhong	12,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Wang Song	12,000	0	0	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Xin Lingbo	21,000	0	9,000	12,000	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Other mid-level management personnel and core technical (business) personnel of the Company	1,362,820	0	1,051,120	124,200	Restricted stocks under equity incentive plan	Handle the repurchase in accordance with the relevant provisions of the Company's <i>Restricted Stock Incentive Plan in 2022</i>
Total	2,321,320	367,000	1,450,120	996,700	--	--

II. Issuance and listing of securities

1. Securities (excluding preferred shares) issued during the reporting period

Applicable Not applicable

2. Explanation of changes in the total number of shares, the structure of shareholders and the structure of assets and liabilities

Applicable Not applicable

During the reporting period, the Company completed two separate repurchases and cancellations of restricted stocks under the Restricted Stock Incentive Plan in 2022, involving

185,500 shares and 56,000 shares respectively. This resulted in the repurchase and cancellation of a total of 241,500 restricted stocks, thereby reducing the Company's total stocks by 241,500 shares; such repurchase and cancellation of restricted stocks will not bring substantial impact on the Company's financial position and operating results, not result in failure of the Company's equity distribution in meeting the listing conditions, nor will it lead to changes in the control rights of the Company's controlling shareholders or de facto controllers.

3. Existent shares held by internal employees

Applicable Not applicable

III. Particulars about shareholders and de facto controllers

1. Number of shareholders and their shareholdings

Unit: Shares

Total number of common shareholders at the end of the reporting period	66,656	Total number of common shareholders at the end of the previous month before the disclosure of the annual report	84,304	Total number of preferred shareholders with restored voting rights at the end of the reporting period (if any) (see Note 8)	0	Total number of preferred shareholders with restored voting rights at the end of the previous month before the disclosure of the annual report (if any) (see Note 8)	0	
Particulars about shareholders with a shareholding ratio of over 5% or the top 10 shareholders (excluding shares lent through conversions)								
Name of shareholder	Nature of shareholder	Shareholding ratio	Number of shares held at the end of the reporting period	Changes during the reporting period	Number of shares held with trading restrictions	Number of shares held without trading restrictions	Pledged, marked or locked-up status	
							Status of shares	Quantity
China Grand Enterprises, Inc.	Domestic non-state-owned corporation	41.67%	730,938,157	0	0	730,938,157	Pledged	142,670,000
Hangzhou Huadong Medicine Group Co., Ltd.	State-owned corporation	16.42%	288,000,000	0	0	288,000,000	Not applicable	0
Hong Kong Securities Clearing	Overseas corporation	2.64%	46,367,991	-270,637	0	46,367,991	Not applicable	0

Company Limited								
New China Life Insurance Co., Ltd. - Dividend - Individual Dividend - 018L-FH002 Shenzhen	Others	1.99%	34,965,242	30,331,101	0	34,965,242	Not applicable	0
Industrial and Commercial Bank of China Limited - Zhong Ou AMC Medical and Health Hybrid Securities Investment Fund	Others	1.27%	22,272,929	3,123,286	0	22,272,929	Not applicable	0
China Securities Finance Corporation Limited	Domestic non-state-owned corporation	1.26%	22,186,818	0	0	22,186,818	Not applicable	0
New China Life Insurance Co., Ltd. - Traditional - General Insurance Products - 018L-CT001 Shenzhen	Others	1.24%	21,790,814	16,489,672	0	21,790,814	Not applicable	0
National Social Security Fund - Portfolio 112	Others	0.97%	16,989,744	16,989,744	0	16,989,744	Not applicable	0
Industrial and Commercial Bank of China Limited - Huatai-PB CSI 300 Open-ended	Others	0.83%	14,583,030	-472,815	0	14,583,030	Not applicable	0

Index Fund								
China Construction Bank Corporation - E Fund CSI 300 Medical and Health Trading Open Index Securities Investment Fund	Others	0.67%	11,712,510	-4,490,622	0	11,712,510	Not applicable	0
Strategic investors or general corporations become the top 10 shareholders due to the placement of new shares (if any) (see Note 3)	Not applicable							
Explanation on associated relationships or concerted actions among the above-mentioned shareholders	The Company is unaware of whether the above-mentioned shareholders are related parties or whether they are concert parties with one another.							
Explanation on the above shareholders involved in proxy/trusted voting rights and waiver of voting rights	Not applicable							
Special notes on the existence of repurchase special accounts among the top 10 shareholders(if any)(See Note 10)	Not applicable							
Information about the top 10 shareholders without trading restrictions (excluding shares lent through conversions and locked-up shares for senior management)								
Name of shareholder	Number of shares held without trading restrictions at the end of the reporting period	Type of shares						
		Type of shares	Quantity					
China Grand Enterprises, Inc.	730,938,157	RMB common shares	730,938,157					
Hangzhou Huadong Medicine Group Co., Ltd.	288,000,000	RMB common shares	288,000,000					
Hong Kong Securities Clearing Company Limited	46,367,991	RMB common shares	46,367,991					
New China Life Insurance Co., Ltd. - Dividend - Individual Dividend - 018L-FH002 Shenzhen	34,965,242	RMB common shares	34,965,242					
Industrial and Commercial Bank of China Limited - Zhong Ou AMC Medical and Health Hybrid Securities Investment Fund	22,272,929	RMB common shares	22,272,929					
China Securities Finance Corporation Limited	22,186,818	RMB common shares	22,186,818					
New China Life Insurance Co., Ltd. - Traditional - General Insurance Products - 018L-CT001 Shenzhen	21,790,814	RMB common shares	21,790,814					

National Social Security Fund - Portfolio 112	16,989,744	RMB common shares	16,989,744
Industrial and Commercial Bank of China Limited - Huatai-PB CSI 300 Open-ended Index Fund	14,583,030	RMB common shares	14,583,030
China Construction Bank Corporation - E Fund CSI 300 Medical and Health Trading Open Index Securities Investment Fund	11,712,510	RMB common shares	11,712,510
Description for affiliated relationship or concerted action among the top 10 shareholders with unrestricted circulating shares and between the top 10 shareholders with unrestricted circulating shares and the top 10 shareholders	The Company is unaware of whether the above-mentioned shareholders are related parties or whether they are concert parties with one another.		
Description of the top 10 common shareholders' participation in margin trading business (if any) (see Note 4)	As of the end of the current reporting period, none of the top 10 common shareholders of the Company held shares of the Company through securities margin trading accounts.		

Participation in the lending of shares through refinancing business of shareholders holding more than 5% of shares, top 10 shareholders and top 10 shareholders holding tradable shares without trading restriction

Applicable Not applicable

Change in top 10 shareholders and top 10 shareholders holding tradable shares without trading restriction due to lending/returning of shares through refinancing as compared to the previous period

Applicable Not applicable

Whether the top 10 common shareholders and the top 10 common shareholders with unrestricted stocks in the Company engage in the agreed repurchase transactions during the reporting period

Yes No

The top 10 common shareholders and the top 10 common shareholders with unrestricted stocks in the Company did not engage in any agreed repurchase transactions during the reporting period.

2. Information on the controlling shareholder of the Company

Nature of controlling shareholder: Natural person holding

Type of controlling shareholder: Legal person

Name of controlling shareholder	Legal representative/person in charge	Date of establishment	Organization code	Main business
China Grand Enterprises, Inc.	Hu Kaijun	October 27, 1993	91110000101690952K	Investment management
Equity holdings in other domestic and overseas listed companies controlled or jointly participated in by the controlling shareholder during the reporting period	The two additional listed entities under the control of China Grand Enterprises, Inc. are Grand Industrial Holding Co., Ltd. and Grand Pharmaceutical Group Limited.			

Change in controlling shareholder during the reporting period

Applicable Not applicable

There was no change in the controlling shareholder of the Company during the reporting period.

3. De facto controller of the Company and its concerted parties

Nature of de facto controller: Domestic natural person

Type of de facto controller: Natural person

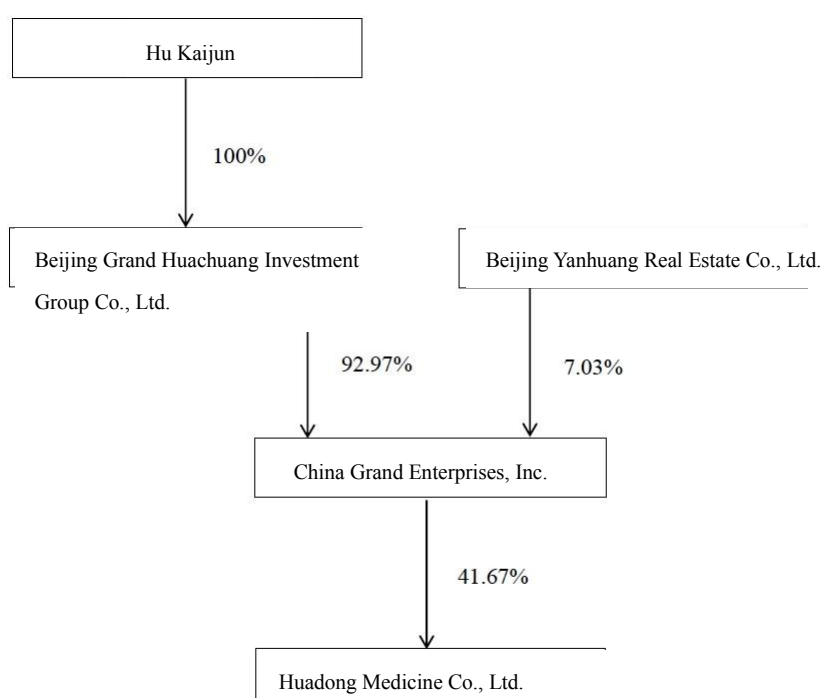
Name of de facto controller	Relationship with the de facto controller	Nationality	Whether the right of abode in other countries or regions is obtained
Hu Kaijun	In person	China	Yes
Main occupation and position	Chairman and General Manager of China Grand Enterprises, Inc.; Chairman and General Manager of Beijing Grand Huachuang Investment Group Co., Ltd.		
Domestically and overseas listed companies controlled in the past 10 years	Three listed companies controlled are Huadong Medicine Co., Ltd., Grand Industrial Holdings Co., Ltd., and Grand Pharmaceutical Group Limited.		

Change in the de facto controller during the reporting period

Applicable Not applicable

There was no change in the de facto controller of the Company during the reporting period.

Block diagram of ownership and control relationship between the Company and the de facto controller



The de facto controller controls the Company through trust or other asset management arrangements

Applicable Not applicable

4. The number of shares pledged by the Company's controlling shareholder or the largest shareholder and their concert parties represents 80% of their total shareholding in the Company

Applicable Not applicable

5. Other corporate shareholders with a shareholding ratio over 10%

Applicable Not applicable

Name of corporate shareholder	Legal representative/person in charge	Date of establishment	Registered capital	Main business operations or management activities
Hangzhou Huadong	Dong Jiabo	December 21, 1992	RMB 60 million	Production and

Medicine Group Co., Ltd.				processing of integrated alcoholic beverages, bagged tea, and donkey-hide gelatin products (limited to branch operations with licenses); state-owned asset management within the scope authorized by the municipal government; industrial investment; wholesale and retail of chemical raw materials and products (excluding hazardous chemicals and precursor chemicals), packaging materials, and pharmaceutical intermediates (excluding hazardous chemicals and precursor chemicals); All other lawful items that submission for approval is not required.
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6. Reduction of restricted stocks held by controlling shareholder, de facto controller, restructuring parties and other commitment subjects

Applicable Not applicable

IV. Specific implementation of share repurchases during the reporting period

Progress of implementation of share repurchase

Applicable Not applicable

Disclosure date of the repurchase plan	Proposed number of shares to be repurchased (shares)	Proportion in share capital	Proposed repurchase amount (RMB 10,000)	Proposed repurchase period	Purpose of repurchase	Number of shares repurchased (shares)	Proportion of repurchased shares to the underlying shares involved in the Equity Incentive Plan (if any)
July 1, 2025	56000	0.003%	138.047288	45 days after the Company's Board of Directors discloses the creditor	Repurchase and cancellation of restricted stocks under equity incentive	56,000	1.21%

				notification announceme nt			
November 22, 2025	284200	0.02%	708.712535	45 days after the Company's Board of Directors discloses the creditor notification announceme nt	Repurchase and cancellation of restricted stocks under equity incentive	0	0.00%

Progress of the implementation of the reduction of repurchased shares through centralized bidding transactions

Applicable Not applicable

V. Information on preferred shares

Applicable Not applicable

The Company did not have preferred shares during the reporting period.

Section VII. Information on Bonds

Applicable Not applicable

Section VIII. Financial Reports

I. Audit report

Audit opinion	Standard unqualified opinions
Signature date of Audit Report	April 22, 2026
Name of audit institution	Pan-China Certified Public Accountant LLP (Special General Partnership)
Audit Report No.	T.J.S. [2026] No. 8881
Names of Certified Public Accountants	Hu Yanhua and Chen Xiaodong

Text of Audit Report

Audit Report

T.J.S. [2026] No. 8881

To all shareholders of Huadong Medicine Co., Ltd.,

I. Opinions

We have audited the financial statements of Huadong Medicine Co., Ltd. (hereinafter referred to as "Huadong Medicine"), which comprise the consolidated balance sheet and the balance sheet of the parent company as of December 31, 2025, the consolidated income statement and income statement of the parent company, consolidated cash flow statement and cash flow statement of the parent company, consolidated statement of changes in owners' equity and statement of changes in owners' equity of the parent company, and the accompanying notes to the financial statements for 2025.

In our opinion, the accompanying financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and, in all material respects, give a fair view of the financial position of Huadong Medicine Co., Ltd. as of December 31, 2025, and of the consolidated and parent company operating results and cash flows for the year then ended.

II. Basis for audit opinions

We have conducted our audit in accordance with the Auditing Standards for CPAs of China. "CPA's Responsibilities for Audit of Financial Statements" in this Audit Report will further describe our responsibility under these Standards. In accordance with *No. 1 Chinese Standards on Independence for Certified Public Accountants—Independence Requirements for Audits and Reviews of Financial Statement*, and the Chinese Code of Ethics for Certified Public Accountants, we remain independent of Huadong Medicine Co., Ltd. and we have fulfilled other ethical responsibilities. During the audit, we adhered to the independence requirements applicable to audits of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

III. Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit on the financial statements as a whole and in the formation of our audit opinions. We do not express separate opinions on these matters.

(I) Revenue recognition

1. Matter description

For detailed disclosure of relevant information, please refer to Notes V(37), VII(61), and XVIII(6) to the financial statements.

Operating revenue of Huadong Medicine is primarily derived from the production and sale of pharmaceuticals. In 2025, Huadong Medicine recorded its operating revenue in the amount of RMB 43.612 billion.

As the operating revenue is one of key performance indicators of Huadong Medicine, there is an inherent risk that the Management (hereinafter referred to as "the Management") may engage in inappropriate revenue recognition to achieve specific targets or expectations. Accordingly, we identified revenue recognition as a key audit matter.

2. Audit response

The audit procedures we implemented in relation to revenue recognition primarily included:

(1) Understanding the key internal controls related to revenue recognition, evaluating the design of these controls, determining whether they were implemented, and testing the operating effectiveness of relevant internal controls;

(2) Reviewing sales contracts to understand key contractual terms and conditions and assessing the appropriateness of the applied revenue recognition methods;

(3) Performing analytical procedures on operating revenue and gross profit margin by month, product, and customer to detect significant or unusual fluctuations and investigating the underlying causes;

(4) For domestic sales revenue, selecting samples and checking supporting documents including sales contracts, purchase orders, sales invoices, delivery notes and receipts, transportation documents, and payment vouchers; for export sales, obtaining data from the electronic customs clearance portal and reconciling it with accounting records, and selecting samples to check supporting documents such as sales contracts, export declarations, bills of lading, and sales invoices;

(5) Sending confirmations of sales amounts by selecting items in conjunction with confirmations on accounts receivable;

(6) Performing cutoff tests to verify that revenue was recognized in the appropriate period;

(7) Obtaining records of sales returns after the balance sheet date to check for any instances where revenue recognition conditions were not met as of the balance sheet date;

(8) Verifying whether information related to operating revenue was appropriately presented in the financial statements.

(II) Impairment of accounts receivable

1. Matter description

For detailed disclosure of relevant information, please refer to Notes V(11), V(13), and VII(5) to the financial statements.

As of December 31, 2025, the book balance of accounts receivable by Huadong Medicine was RMB 9.519 billion, with a provision for bad debts of RMB 533 million, resulting in a book value of RMB 8.986 billion.

The Management measures the loss provision for accounts receivable based on their credit risk characteristics, either individually or on a portfolio basis, in an amount equivalent to the expected credit losses over the entire remaining life. Given the significant amount of accounts receivable and the significant management judgment involved in the impairment test, we have identified the impairment of accounts receivable as a key audit matter.

2. Audit response

Our audit procedures with respect to the impairment of accounts receivable primarily included:

(1) Understanding key internal controls related to impairment assessment, evaluating the design of such controls, determining whether they had been implemented, and testing the operating effectiveness of relevant controls;

(2) Reviewing the results of the Management's previous estimates towards the provision for bad debts or subsequent re-estimates made by the Management;

(3) Reviewing the Management's considerations and objective evidence in assessing the credit risks of accounts receivable, and evaluating whether the Management appropriately identified the credit risk characteristics of various accounts receivable;

(4) For accounts receivable measured for expected credit losses on an individual basis, reviewing the Management's forecasts of expected cash collections, evaluating the appropriateness of significant assumptions and the adequacy, relevance, and reliability of data used in the forecasts, and reconciling them with external evidence obtained;

(5) For accounts receivable measured for expected credit losses on a portfolio basis, evaluating the reasonableness of the Management's classification of portfolios based on credit risk characteristics; evaluating the reasonableness of the expected credit loss rates determined by the Management for accounts receivable, including the appropriateness of significant assumptions and the adequacy, relevance, and reliability of data used; testing the accuracy of the Management's calculation of provision for bad debts;

(6) Evaluating the reasonableness of the Management's provision for bad debts in conjunction with accounts receivable confirmations and subsequent collection status;

(7) Verifying whether information related to the impairment of accounts receivable was appropriately presented in the financial statements.

(III) Goodwill impairment

1. Matter description

For detailed disclosure of relevant information, please refer to Notes V(6), V(30), and VII(27) to the financial statements.

As of December 31, 2025, the original cost of goodwill for Huadong Medicine was RMB 2.944 billion, with an impairment provision of RMB 84 million, resulting in a book value of RMB 2.860 billion.

The Management conducts impairment tests on goodwill in conjunction with the related asset groups or portfolios of asset groups. The recoverable amount of the relevant asset groups or portfolios of asset groups was determined based on the present value of expected future cash flows or the net amount after deducting disposal expenses from fair value. Given the significant amount of goodwill and the significant management judgment involved in impairment test, we have identified the impairment of goodwill as a key audit matter.

2. Audit response

The audit procedures we implemented in relation to the impairment of goodwill primarily included:

(1) Understanding key internal controls related to goodwill impairment, evaluating the design of such controls, determining whether they had been implemented, and testing the operating effectiveness of relevant controls;

(2) Reviewing the results of the Management's previous estimates towards the present value of expected future cash flows or subsequent re-estimates made by the Management;

(3) Understanding and evaluating the competence, professionalism, and objectivity of external valuation experts engaged by the Management;

(4) Evaluating the reasonableness and consistency of the methods used by the Management in the impairment test;

(5) Evaluating the reasonableness of key assumptions used by the Management in the impairment test, and reviewing whether these assumptions are consistent with the overall economic environment, industry conditions, operating performance, historical experience,

operational plans, approved budgets, meeting minutes, and other assumptions used by the Management in relation to the financial statements;

(6) Testing the accuracy, completeness, and relevance of data used by the Management in the impairment test, and reviewing the internal consistency of relevant information in the impairment test;

(7) Testing the accuracy of the Management's calculation of the present value of expected future cash flows;

(8) Verifying whether information related to the goodwill impairment was appropriately presented in the financial statements.

IV. Other information

The Management is responsible for other information. Additional information includes the information covered in the Annual Report, but excludes financial statements and our audit report.

Our audit opinions on the financial statements do not cover other information. We do not express any form of assurance conclusion on other information.

In conjunction with our audit of the financial statements, it is our responsibility to read other information and, in doing so, it is our responsibility to consider whether other information is materially inconsistent with the financial statements or with what we have learned in the course of our audit, or seems to be materially misstated.

Based on the work we have performed, we should make a report, if we determine that other information is materially misstated. We have nothing to report in this regard.

V. Responsibilities of the Management and those charged with governance for the financial statements

The Management is responsible for preparing and realizing fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises; and designing, implementing and maintaining necessary internal control to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Huadong Medicine's ability to continue as a going concern, disclosing matters related to going concern (if

applicable), and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of Huadong Medicine (hereinafter referred to as "Those charged with governance") are responsible for overseeing the financial reporting process of Huadong Medicine.

VI. CPA's responsibilities for audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinions. Reasonable assurance represents a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the applicable auditing standards will always detect a material misstatement, if any. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users made on the basis of these financial statements.

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

(I) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to deal with those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement resulting from fraud is higher than that of failing to detect a material misstatement resulting from error, as fraud may involve collusion, forgery, omissions, misrepresentations, or overriding the internal control.

(II) Understand the internal control related to audit in order to design audit procedures that are appropriate in the circumstances.

(III) Evaluate the appropriateness of accounting policies the Management has used and the reasonableness of accounting estimates and related disclosures the Management has made.

(IV) Conclude on the appropriateness of using the going concern assumption by the Management. Meanwhile, we conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Huadong Medicine's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our audit report to the related disclosures in the financial statements; if such disclosures are inadequate, we should give a modified opinion. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Huadong Medicine to cease to continue as a going concern.

(V) Evaluate the overall presentation, structure and contents, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(VI) To obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities of Huadong Medicine to express an opinion on the financial statements. We are responsible for guiding, supervising and implementing group audit, and bear full responsibility for the audit opinions.

We communicate with those charged with the governance regarding, among other matters, the planned audit scope, time arrangement and significant audit findings, including the internal control defects of concern that we identify during our audit.

We also provided those charged with governance with a written statement confirming our compliance with the relevant ethical requirements regarding independence, and communicated with them about all relationships and other matters that may reasonably be considered to affect our independence, together with any related safeguards (where applicable).

From the matters communicated with those charged with governance, we determined those that were of the most significance in our audit of the financial statements for the current period and, accordingly, identified them as key audit matters. We described these matters in our auditor report, unless law or regulation precludes public disclosure of such matters or when, in extremely rare circumstances, we conclude 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.

Pan-China Certified Public Accountant LLP (Special General Partnership) Chinese CPA: Hu
Yanhua
(Project Partner)

Hangzhou, China Chinese CPA: Chen Xiaodong

April 22, 2026

II. Financial statements

The unit in the notes to financial statements is: RMB

1. Consolidated balance sheet

Prepared by: Huadong Medicine Co., Ltd.

December 31, 2025

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	4,978,052,188.84	5,276,440,245.36
Deposit reservation for balance		
Lendings to banks and other financial institutions		
Trading financial assets		
Derivative financial assets		
Notes receivable	6,213,394.05	10,696,341.24
Accounts receivable	8,985,587,945.31	8,425,358,862.23
Receivables financing	460,578,206.16	1,677,636,420.09
Prepayments	445,803,941.09	400,291,510.71
Premium receivable		
Reinsurance accounts receivable		
Reinsurance contract reserve receivable		
Other receivables	517,535,129.39	402,870,356.31
Incl.: Interest receivable		
Dividends receivable	223,608.84	223,608.84
Financial assets purchased for resale		
Inventory	5,535,765,919.86	4,776,397,278.01
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	75,464,880.54	
Other current assets	222,343,329.23	82,099,747.34
Total current assets	21,227,344,934.47	21,051,790,761.29
Non-current assets:		
Loans and advances issued		

Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investment	1,509,122,017.22	1,543,646,404.76
Investment in other equity instruments	681,006,253.76	603,232,766.22
Other non-current financial assets		
Investment property	10,946,776.47	11,842,042.67
Fixed assets	4,470,264,264.88	4,422,300,775.01
Construction in progress	832,431,516.18	836,739,481.60
Productive biological assets		
Oil and gas assets		
Right-of-use assets	170,395,474.59	149,504,562.99
Intangible assets	3,849,691,624.59	3,644,956,428.71
Incl.: Data resources		
Development expenditure	1,757,196,902.53	1,033,392,377.69
Incl.: Data resources		
Goodwill	2,860,135,566.37	2,913,334,523.63
Long-term deferred expenses	19,541,767.43	22,601,572.13
Deferred income tax assets	385,084,524.45	221,848,889.06
Other non-current assets	1,264,874,697.98	1,423,855,781.39
Total non-current assets	17,810,691,386.45	16,827,255,605.86
Total assets	39,038,036,320.92	37,879,046,367.15
Current liabilities:		
Short-term borrowings	1,621,903,523.77	2,312,339,143.21
Borrowings from the central bank		
Borrowings from other banks and other financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	2,910,051,094.08	2,576,685,923.31
Accounts payable	5,059,850,765.02	4,467,770,810.96
Advance receipts	797,358.84	1,115,173.00
Contract liabilities	188,554,462.61	173,609,109.58
Expense for financial assets sold for repurchase		
Deposits taken and interbank deposits		
Receivings from vicariously traded securities		
Receivings from vicariously sold securities		
Employee compensation payable	411,598,841.94	417,133,101.11
Taxes and dues payable	563,317,023.92	645,950,867.22
Other payables	2,215,275,211.55	2,849,833,595.48

Incl.: Interests payable		
Dividends payable	102,560,219.60	125,024,219.60
Handling charges and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	108,871,732.55	330,528,920.89
Other current liabilities	10,443,641.94	19,268,728.25
Total current liabilities	13,090,663,656.22	13,794,235,373.01
Non-current liabilities:		
Provision for insurance contracts		
Long-term borrowings	252,034,854.55	14,262,841.05
Bonds payable		
Incl.: Preferred share		
Perpetual bonds		
Lease liabilities	88,813,504.20	71,857,938.46
Long-term payables		24,715,073.51
Long-term employee compensation payable		
Estimated liabilities	20,617,015.41	28,985,982.19
Deferred revenue	190,942,291.61	183,855,718.48
Deferred income tax liabilities	223,959,318.75	197,378,528.33
Other non-current liabilities		
Total non-current liabilities	776,366,984.52	521,056,082.02
Total liabilities	13,867,030,640.74	14,315,291,455.03
Owners' equity:		
Share capital	1,753,736,848.00	1,754,262,548.00
Other equity instruments		
Incl.: Preferred share		
Perpetual bonds		
Capital reserve	2,416,358,618.64	2,550,780,602.69
Less: Treasury share		46,804,116.67
Other comprehensive income	5,770,687.07	-50,598,204.17
Special reserves		
Surplus reserves	1,616,443,486.39	1,395,568,477.98
General risk reserves		
Retained earnings	19,019,030,352.89	17,456,842,089.53
Total owners' equity attributable to the parent company	24,811,339,992.99	23,060,051,397.36
Minority interests	359,665,687.19	503,703,514.76
Total owners' equity	25,171,005,680.18	23,563,754,912.12
Total liabilities and owners' equity	39,038,036,320.92	37,879,046,367.15

Legal representative: Lv Liang Officer in charge of accounting: Lv Liang Head of Accounting Department: Qiu Renbo

2. Balance sheet of the parent company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	3,564,448,718.56	3,983,448,123.02
Trading financial assets		
Derivative financial assets		
Notes receivable	6,213,394.05	10,696,341.24
Accounts receivable	5,391,415,855.65	4,662,202,972.85
Receivables financing	244,857,205.35	541,117,016.27
Prepayments	245,653,821.11	188,207,568.34
Other receivables	3,563,354,230.97	3,038,802,968.09
Incl.: Interest receivable		
Dividends receivable	67,200,000.00	83,200,000.00
Inventory	3,288,268,422.10	2,503,932,187.23
Incl.: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	53,905,213.88	
Other current assets	45,575,531.66	
Total current assets	16,403,692,393.33	14,928,407,177.04
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investment	6,201,961,896.83	6,006,736,952.86
Investment in other equity instruments	10,080,000.00	10,080,000.00
Other non-current financial assets		
Investment property	5,794,413.34	6,260,645.98
Fixed assets	131,080,028.79	145,702,063.07
Construction in progress	752,212.39	1,191,031.68
Productive biological assets		
Oil and gas assets		
Right-of-use assets	1,686,359.56	5,766,631.35
Intangible assets	110,137,694.50	133,847,061.52
Incl.: Data resources		
Development expenditure		
Incl.: Data resources		
Goodwill		
Long-term deferred expenses	5,542,232.16	3,873,974.93
Deferred income tax assets	75,065,627.63	57,148,901.05
Other non-current assets	286,664,901.46	309,896,009.87
Total non-current assets	6,828,765,366.66	6,680,503,272.31
Total assets	23,232,457,759.99	21,608,910,449.35

Current liabilities:		
Short-term borrowings	710,713,926.42	1,281,604,281.83
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	1,256,135,416.88	1,017,985,699.91
Accounts payable	3,549,725,618.44	2,957,801,912.13
Advance receipts		
Contract liabilities	36,191,247.19	74,839,113.94
Employee compensation payable	19,904,483.43	13,536,480.77
Taxes and dues payable	82,180,746.62	84,182,562.88
Other payables	5,337,446,854.57	4,502,104,700.45
Incl.: Interests payable		
Dividends payable	224,219.60	224,219.60
Liabilities held for sale		
Non-current liabilities due within one year	193,295.01	51,064,784.14
Other current liabilities	4,614,684.54	9,618,803.23
Total current liabilities	10,997,106,273.10	9,992,738,339.28
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Incl.: Preferred share		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred revenue	27,869,536.35	30,435,411.27
Deferred income tax liabilities	10,075,067.31	
Other non-current liabilities		
Total non-current liabilities	37,944,603.66	30,435,411.27
Total liabilities	11,035,050,876.76	10,023,173,750.55
Owners' equity:		
Share capital	1,753,736,848.00	1,754,262,548.00
Other equity instruments		
Incl.: Preferred share		
Perpetual bonds		
Capital reserve	2,334,357,232.56	2,346,443,494.22
Less: Treasury share		46,804,116.67
Other comprehensive income		
Special reserves		
Surplus reserves	1,694,299,245.83	1,473,424,237.42
Retained earnings	6,415,013,556.84	6,058,410,535.83
Total owners' equity	12,197,406,883.23	11,585,736,698.80
Total liabilities and owners' equity	23,232,457,759.99	21,608,910,449.35

3. Consolidated income statement

Unit: RMB

Item	2025	2024
I. Total operating revenue	43,612,009,891.02	41,905,707,385.91
Incl.: Operating revenue	43,612,009,891.02	41,905,707,385.91
Interest income		
Premiums earned		
Handling charges and commissions revenue		
II. Total operating costs	39,388,881,033.06	37,493,020,210.87
Incl.: Operating costs	29,499,479,451.02	27,988,547,185.82
Interest expenditure		
Handling charges and commissions expenditure		
Surrender value		
Net payments for insurance claims		
Net withdrawal of reserves for insurance liability contracts		
Expense for insurance policy dividends		
Reinsurance expenses		
Taxes and surcharges	246,544,789.96	250,638,795.43
Selling expenses	6,526,826,370.64	6,408,522,136.28
Management expenses	1,344,109,556.03	1,397,388,188.96
R&D expenses	1,753,147,744.43	1,425,659,218.47
Financial expenses	18,773,120.98	22,264,685.91
Incl.: Interest expense	94,734,093.60	101,203,829.32
Interest income	82,517,322.89	103,997,474.21
Plus: Other incomes	245,152,017.73	199,889,752.54
Investment income (loss expressed with "-")	-137,842,753.21	-129,190,728.94
Incl.: Investment income in associates and joint ventures	-75,923,097.56	-68,453,149.32
Income from derecognition of financial assets measured on the basis of amortized costs		
Exchange earnings (loss expressed with "-")		
Net income of exposure hedge (loss expressed with "-")		
Income from changes in fair value (loss expressed with "-")		
Credit impairment loss (loss expressed with "-")	-136,912,856.00	-112,179,415.60

Asset impairment loss (loss expressed with "-")	-87,895,771.71	-41,006,057.96
Proceeds from disposal of assets (loss expressed with "-")	2,263,396.06	-5,463,399.18
III. Operating profit (loss expressed with "-")	4,107,892,890.83	4,324,737,325.90
Plus: Non-operating revenue	34,205,807.33	88,009,280.04
Less: Non-operating expenses	125,636,387.92	111,232,726.47
IV. Total profit (total loss expressed with "-")	4,016,462,310.24	4,301,513,879.47
Less: Income tax expense	605,615,537.79	807,328,247.71
V. Net profit (net loss expressed with "-")	3,410,846,772.45	3,494,185,631.76
(I) Classification by continuity of operation		
1. Net profits from continuing operations (net loss expressed with "-")	3,410,846,772.45	3,494,185,631.76
2. Net profit from discontinued operations (net loss expressed with "-")		
(II) Classification by ownership		
1. Net profit attributable to the shareholders of the parent company	3,414,335,326.41	3,512,104,678.06
2. Minority interest income	-3,488,553.96	-17,919,046.30
VI. Other comprehensive income (net of tax)	56,368,891.24	-10,256,659.99
Other comprehensive income attributable to the owner of the parent company (net of tax)	56,368,891.24	-10,256,659.99
(I) Other comprehensive income that cannot be reclassified into the profits and losses	11,322,446.85	-6,719,404.72
1. Change from re-measurement of defined benefit plan		
2. Other comprehensive income that cannot be included in the profits and losses under the equity method	6,018,792.15	
3. Changes in fair value of investment in other equity instruments	5,303,654.70	-6,719,404.72
4. Changes in fair value by the enterprise's credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified into the profits and losses	45,046,444.39	-3,537,255.27
1. Other comprehensive income that can be transferred to the profit and loss under the equity method		
2. Changes in fair value of investments in other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Converted difference in foreign currency financial statements	45,046,444.39	-3,576,433.56

7. Others		39,178.29
Other comprehensive income attributable to minority shareholders (net of tax)		
VII. Total comprehensive income	3,467,215,663.69	3,483,928,971.77
Total comprehensive income attributable to the owner of the parent company	3,470,704,217.65	3,501,848,018.07
Total comprehensive income attributable to minority shareholders	-3,488,553.96	-17,919,046.30
VIII. Earnings per share		
(I) Basic earnings per share	1.9484	2.0046
(II) Diluted earnings per share	1.9465	2.0034

If there is a business combination under common control in this period, the net profit of the combined party before the combination is RMB , and the net profit of the combined party in the previous period is RMB .

Legal representative: Lv Liang Officer in charge of accounting: Lv Liang Head of Accounting Department: Qiu Renbo

4. Income statement of the parent company

Unit: RMB

Item	2025	2024
I. Operating revenue	24,671,229,162.54	22,701,692,653.34
Less: Operating cost	23,531,246,952.85	21,468,483,836.91
Taxes and surcharges	26,663,332.08	34,372,824.18
Selling expenses	447,868,699.00	563,448,468.46
Management expenses	197,436,430.05	201,553,978.00
R&D expenses		
Financial expenses	-18,984,395.20	6,960,607.59
Incl.: Interest expense	95,822,098.21	79,164,895.14
Interest income	64,855,410.86	85,371,844.79
Plus: Other incomes	12,177,483.99	12,712,621.78
Investment income (loss expressed with "-")	2,264,382,496.69	1,137,666,059.92
Incl.: Investment income in associates and joint ventures	-1,064,445.96	57,997,379.26
Income from derecognition of financial assets measured on the basis of amortization costs (loss expressed with "-")		
Net income of exposure hedge (loss expressed with "-")		
Income from changes in fair value (loss expressed with "-")		
Credit impairment loss (loss expressed with "-")	-398,670,203.44	-244,452,303.69
Asset impairment loss (loss expressed with "-")		
Proceeds from disposal of assets (loss expressed with "-")	33,862.34	2,112,197.50

II. Operating profit (loss expressed with "-")	2,364,921,783.34	1,334,911,513.71
Plus: Non-operating revenue	452,377.74	170,142.55
Less: Non-operating expenses	30,332,536.48	29,837,635.14
III. Total profits (total loss expressed with "-")	2,335,041,624.60	1,305,244,021.12
Less: Income tax expense	126,291,540.54	127,358,963.15
IV. Net profits (net loss expressed with "-")	2,208,750,084.06	1,177,885,057.97
(I) Net profits from continuing operations (net loss expressed with "-")	2,208,750,084.06	1,177,885,057.97
(II) Net profit from discontinued operations (net loss expressed with "-")		
V. Other comprehensive income (net of tax)		
(I) Other comprehensive income that cannot be reclassified into the profits and losses		
1. Change from re-measurement of defined benefit plan		
2. Other comprehensive income that cannot be included in the profits and losses under the equity method		
3. Changes in fair value of investment in other equity instruments		
4. Changes in fair value by the enterprise's credit risks		
5. Others		
(II) Other comprehensive income that will be reclassified into the profits and losses		
1. Other comprehensive income that can be transferred to the profit and loss under the equity method		
2. Changes in fair value of investments in other debt investments		
3. Financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other debt investments		
5. Cash flow hedging reserves		
6. Converted difference in foreign currency financial statements		
7. Others		
VI. Total comprehensive income	2,208,750,084.06	1,177,885,057.97
VII. Earnings per share		
(I) Basic earnings per share		
(II) Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		

Cash received from selling goods and providing services	47,603,508,452.35	43,401,956,267.80
Net increase in deposits from customers as well as banks and other financial institutions		
Net increase in borrowings from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from the original insurance contract premium		
Net cash received from reinsurance business		
Net increase in deposits and investments from policyholders		
Cash received from interests, handling charges and commissions		
Net increase in borrowings from banks and other financial institutions		
Net increase in funds from repurchase business		
Net cash received from securities trading agency		
Refund of taxes and fees received	16,771,253.59	11,647,283.25
Receipt of other cash relating to operating activities	853,630,530.93	1,556,579,035.21
Subtotal of cash inflows from operating activities	48,473,910,236.87	44,970,182,586.26
Cash paid for purchase of goods and receipt of labor services	29,990,020,022.06	28,195,403,709.51
Net increase in customer loans and advance payments		
Net increase in deposits with the central bank and interbank		
Cash for payment of the original insurance contract		
Net increase in lendings to banks and other financial institutions		
Cash paid for interests, handling charges and commissions		
Cash for payment of dividends on policies		
Cash paid to and for employees	5,380,354,732.47	4,755,191,780.74
Various taxes and fees paid	2,934,697,014.28	2,574,487,192.25
Payment of other cash relating to operating activities	5,923,234,096.89	5,696,171,021.41
Subtotal of cash outflows from operating activities	44,228,305,865.70	41,221,253,703.91
Net cash flow from operating activities	4,245,604,371.17	3,748,928,882.35
II. Cash flows from investing activities:		
Cash received from investment recovery	14,700,000.00	1,000,000.00
Cash received from obtaining	70,463,762.96	45,230,192.98

investment income		
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	21,100,980.35	19,759,145.85
Net cash received from disposal of subsidiaries and other business units		
Receipt of other cash relating to investing activities		261,016,721.64
Subtotal of cash inflows from investing activities	106,264,743.31	327,006,060.47
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	1,574,454,008.41	1,727,864,860.12
Cash paid for investment	127,677,933.86	69,176,613.40
Net increase in pledged loans		
Net cash paid for acquisition of subsidiaries and other business entities		461,958,981.61
Payments of other cash relating to investing activities	73,905,213.88	238,277,274.34
Subtotal of cash outflows from investing activities	1,776,037,156.15	2,497,277,729.47
Net cash flows from investing activities	-1,669,772,412.84	-2,170,271,669.00
III. Cash flows from financing activities:		
Cash received by absorbing investment		
Incl.: Cash received by subsidiaries from minority shareholders' investment		
Cash received from obtaining borrowings	3,251,416,517.56	4,559,775,187.36
Receipt of other cash relating to financing activities	988,854,695.83	690,739,328.24
Subtotal of cash inflows from financing activities	4,240,271,213.39	5,250,514,515.60
Cash paid for debt repayment	3,522,627,345.72	3,571,431,254.37
Cash paid to distribute dividends, profits or pay interest	1,735,408,728.32	1,733,453,239.02
Incl.: Dividends and profits paid by subsidiaries to minority shareholders	43,280,794.17	31,275,554.96
Payment of other cash relating to financing activities	1,804,706,799.29	695,294,341.33
Subtotal of cash outflows from financing activities	7,062,742,873.33	6,000,178,834.72
Net cash flow from financing activities	-2,822,471,659.94	-749,664,319.12
IV. Effect of exchange rate changes on cash and cash equivalents	-7,589,821.17	-47,001,718.46
V. Net increase in cash and cash equivalents	-254,229,522.78	781,991,175.77
Plus: Opening balance of cash and cash equivalents	4,990,151,186.68	4,208,160,010.91
VI. Closing balance of cash and cash equivalents	4,735,921,663.90	4,990,151,186.68

6. Cash flow statement of the parent company

Unit: RMB

Item	2025	2024
I. Cash flows from operating activities:		
Cash received from selling goods and providing services	25,842,236,084.34	23,867,991,537.64
Refund of taxes and fees received		
Receipt of other cash relating to operating activities	362,731,841.60	1,137,241,351.43
Subtotal of cash inflows from operating activities	26,204,967,925.94	25,005,232,889.07
Cash paid for purchase of goods and receipt of labor services	24,920,600,161.05	23,459,850,561.05
Cash paid to and for employees	335,476,532.34	337,972,950.15
Various taxes and fees paid	273,138,666.29	330,934,993.91
Payment of other cash relating to operating activities	582,010,580.43	1,385,309,995.99
Subtotal of cash outflows from operating activities	26,111,225,940.11	25,514,068,501.10
Net cash flow from operating activities	93,741,985.83	-508,835,612.03
II. Cash flows from investing activities:		
Cash received from investment recovery	14,700,000.00	
Cash received from obtaining investment income	254,857,942.31	1,064,716,374.04
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	385,842.45	2,722,222.40
Net cash received from disposal of subsidiaries and other business units		
Receipt of other cash relating to investing activities	1,121,578,309.38	1,433,678,028.27
Subtotal of cash inflows from investing activities	1,391,522,094.14	2,501,116,624.71
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets	131,444,479.98	110,849,881.62
Cash paid for investment	216,778,258.86	35,000,000.00
Net cash paid for acquisition of subsidiaries and other business entities		
Payments of other cash relating to investing activities	1,980,947,630.59	2,546,728,071.36
Subtotal of cash outflows from investing activities	2,329,170,369.43	2,692,577,952.98
Net cash flows from investing activities	-937,648,275.29	-191,461,328.27
III. Cash flows from financing activities:		
Cash received by absorbing investment		
Cash received from obtaining borrowings	1,559,998,846.92	2,962,976,876.04
Receipt of other cash relating to financing activities	16,233,396,433.94	12,757,177,851.58
Subtotal of cash inflows from financing activities	17,793,395,280.86	15,720,154,727.62
Cash paid for debt repayment	1,889,998,846.92	2,217,976,876.04
Cash paid to distribute dividends, profits or pay interest	1,665,183,925.31	1,661,513,723.84
Payment of other cash relating to financing activities	13,834,045,807.89	10,147,300,140.31

Subtotal of cash outflows from financing activities	17,389,228,580.12	14,026,790,740.19
Net cash flow from financing activities	404,166,700.74	1,693,363,987.43
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-439,739,588.72	993,067,047.13
Plus: Opening balance of cash and cash equivalents	3,940,066,700.23	2,946,999,653.10
VI. Closing balance of cash and cash equivalents	3,500,327,111.51	3,940,066,700.23

7. Consolidated statement of changes in owners' equity

Amount in the current period

Unit: RMB

Item	2025														
	Owners' equity attributable to the parent company													Minority interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal		
	Preferred share	Perpetual bonds	Others												
I. Closing balance of the prior year	1,754,262,548.00				2,550,780,602.69	46,804,116.67	-50,598,204.17		1,395,568,477.98		17,456,842,089.53		23,060,513,973.66	503,703,514.76	23,563,754,912.22
Plus: Changes in accounting policies															
Correction of prior period errors															

thers														
II. Opening balance of the current year	1,754,254.80				2,550,060.269	46,804,116.67	-50,598,204.17		1,395,568,477.98		17,456,420.8953	23,060,513.9736	503,703,514.76	23,563,754,912.12
III. Increase or decrease in the current period (decrease expressed with "-")	-525,700.00				-134,421,984.05	-46,804,116.67	56,368,891.24		220,875,008.41		1,562,188,263.36	1,751,288,595.63	-144,037,827.57	1,607,250,768.06
(I) Total comprehensive income							56,368,891.24				3,414,335,326.41	3,470,704,217.65	-3,488,553.96	3,467,215,663.69
(II) Owner's investment and reduction of capital	-525,700.00				-12,073,075.95	-46,804,116.67						34,205,340.72	-13,185.71	34,192,155.01
1. Common stocks invest	-525,700.00											-525,700.00		-525,700.00

ted by the own er															
2. Capi tal inves ted by hold ers of other equit y instr ume nts															
3. Amo unt of share - base d pay ment inclu ded in own ers' equit y					534, 299. 05							534, 299. 05	- 13,1 85.7 1	521, 113. 34	
4. Othe rs					- 12,6 07,3 75.0 0	- 46,8 04,1 16.6 7						34,1 96,7 41.6 7		34,1 96,7 41.6 7	
(III) Profi t distri butio n								220, 875, 008. 41		- 1,85 2,14 7,06 3.05		- 1,63 1,27 2,05 4.64	- 20,5 62,4 85.8 9	- 1,65 1,83 4,54 0.53	
1. Prov ision for surpl us reser ves								220, 875, 008. 41		- 220, 875, 008. 41					

capital)															
3. Losses covered by surplus reserve															
4. Changes in the defined benefit plan transferred to retained earnings															
5. Other comprehensive income carried forward to retained earnings															
6. Others															
(V) Special reserves															
1.															

Amount with drawn in the current period															
2. Amount utilized in the current period															
(VI) Others					- 122, 348, 908. 10								- 122, 348, 908. 10	- 119, 973, 602. 01	- 242, 322, 510. 11
IV. Closing balance in the current period	1,75 3,73 6,84 8.00				2,41 6,35 8,61 8.64		5,77 0,68 7.07		1,61 6,44 3,48 6.39		19,0 19,0 30,3 52.8 9		24,8 11,3 39,9 92.9 9	359, 665, 687. 19	25,1 71,0 05,6 80.1 8

Amount in the previous period

Unit: RMB

Item	2024														Minority interests	Total owners' equity
	Owners' equity attributable to the parent company															
	Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others	Subtotal			
	Preferred share	Perpetual bonds	Others													
I. Closing balance of	1,75 4,42 5,34 8.00				2,44 6,31 3,77 4.82	84,5 19,3 69.0 7	- 40,3 41,5 44.1 8		1,27 7,77 9,97 2.18		15,6 93,9 51,5 74.9 1		21,0 47,6 09,7 56.6 6	534, 654, 969. 44	21,5 82,2 64,7 26.1 0	

the prior year															
Plus: Changes in accounting policies															
Correction of prior period errors															
Others															
II. Opening balance of the current year	1,754,425,348.00				2,446,313,774.82	84,519,369.07	-40,341,544.18		1,277,779,972.18		15,693,951,574.91		21,047,609,756.66	534,654,969.44	21,582,264,726.10
III. Increase or decrease in the current period (decrease expressed with "-")	-162,800.00				104,466,827.87	-37,715,252.40	-10,256,659.99		117,788,505.80		1,762,890,514.62		2,012,441,640.70	-30,951,454.68	1,981,490,186.02
(I) Total com							-10,256,659.99				3,512,104,673.51		3,501,848,011.84	-17,919,019.0	3,483,928,973.92

prehe nsiv e inco me							59.9 9				8.06		8.07	46.3 0	1.77
(II) Own er's inves tment and redu ction of capit al	- 162, 800. 00				16,8 38,3 77.9 9	- 37,7 15,2 52.4 0							54,3 90,8 30.3 9	243, 146. 58	54,6 33,9 76.9 7
1. Com mon stock s inves ted by the own er	- 162, 800. 00												- 162, 800. 00		- 162, 800. 00
2. Capi tal inves ted by hold ers of other equit y instr ume nts															
3. Amo unt of share - base d pay ment inclu ded in own					20,7 36,8 77.9 9								20,7 36,8 77.9 9	243, 146. 58	20,9 80,0 24.5 7

ers' equit y															
4. Othe rs					- 3,89 8,50 0.00	- 37,7 15,2 52.4 0							33,8 16,7 52.4 0		33,8 16,7 52.4 0
(III) Profi t distri butio n								117, 788, 505. 80		- 1,74 9,21 4,16 3.44		- 1,63 1,42 5,65 7.64	- 13,2 75,5 54.9 6		- 1,64 4,70 1,21 2.60
1. Prov ision for surpl us reser ves								117, 788, 505. 80		- 117, 788, 505. 80					
2. Prov ision for gene ral risk reser ves															
3. Distr ibuti on to own ers (or share hold ers)										- 1,63 1,42 5,65 7.64		- 1,63 1,42 5,65 7.64	- 13,2 75,5 54.9 6		- 1,64 4,70 1,21 2.60
4. Othe rs															
(IV) Inter nal carry -over of own ers' equit y															
1.															

Conversion of capital reserve to capital (or share capital)															
2. Conversion of surplus reserve to capital (or share capital)															
3. Losses covered by surplus reserve															
4. Changes in the defined benefit plan transferred to retained earnings															
5. Other															

pre hensiv e inco me carri ed forw ard to retai ned earni ngs																
6. Othe rs																
(V) Spec ial reser ves																
1. Amo unt with draw n in the curre nt perio d																
2. Amo unt utiliz ed in the curre nt perio d																
(VI) Othe rs					87,6 28,4 49.8 8							87,6 28,4 49.8 8		87,6 28,4 49.8 8		
IV. Closi ng bala nce in the curre nt	1,75 4,26 2,54 8.00				2,55 0,78 0,60 2.69	46,8 04,1 16.6 7	- 50,5 98,2 04.1 7		1,39 5,56 8,47 7.98			17,4 56,8 42,0 89.5 3		23,0 60,0 51,3 97.3 6	503, 703, 514. 76	23,5 63,7 54,9 12.1 2

period															
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8. Statement of changes in owners' equity of the parent company

Amount in the current period

Unit: RMB

Item	2025											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserves	Surpluses reserves	Retained earnings	Others	Total owners' equity
		Preferr ed share	Perpet ual bonds	Others								
I. Closing balance of the prior year	1,754,262,548.00				2,346,443,494.22	46,804,116.67			1,473,424,237.42	6,058,410,535.83		11,585,736,698.80
Plus: Changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening balance of the current year	1,754,262,548.00				2,346,443,494.22	46,804,116.67			1,473,424,237.42	6,058,410,535.83		11,585,736,698.80
III. Increase or decrease in the current	-525,700.00				12,086,261.66	46,804,116.67			220,875,008.41	356,603,021.01		611,670,184.43

period (decrease expressed with "-")												
(I) Total comprehensive income										2,208, 750,08 4.06		2,208, 750,08 4.06
(II) Owner's investment and reduction of capital												
1. Common stocks invested by the owner	525,70 0.00					- 12,086 ,261.6 6	- 46,804 ,116.6 7					34,192 ,155.0 1
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owners' equity						521,11 3.34						521,11 3.34
4. Others						- 12,607 ,375.0	- 46,804 ,116.6					34,196 ,741.6 7

					0	7						
(III) Profit distrib ution									220,87 5,008. 41	- 1,852, 147,06 3.05		- 1,631, 272,05 4.64
1. Provisi on for surplus reserve s									220,87 5,008. 41	- 220,87 5,008. 41		
2. Distrib ution to owners (or shareh olders)										- 1,631, 272,05 4.64		- 1,631, 272,05 4.64
3. Others												
(IV) Intern al carry- over of owners ' equity												
1. Conve rsion of capital reserve to capital (or share capital)												
2. Conve rsion of surplus reserve to capital (or share capital)												
3. Losses covere												

d by surplus reserve												
4. Changes in the defined benefit plan transferred to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in the current period												
2. Amount utilized in the current period												
(VI)												

Others												
IV. Closing balance in the current period	1,753,736,848.00				2,334,357,232.56				1,694,299,245.83	6,415,013,556.84		12,197,406,883.23

Amount in the previous period

Unit: RMB

Item	2024											
	Share capital	Other equity instruments			Capital reserve	Less: Treasury share	Other comprehensive income	Special reserves	Surpluses reserves	Retained earnings	Others	Total owners' equity
		Preferr ed share	Perpetual bonds	Others								
I. Closing balance of the prior year	1,754,425,348.00				2,329,361,969.66	84,519,369.07			1,355,635,731.62	6,629,739,641.30		11,984,643,321.51
Plus: Changes in accounting policies												
Correction of prior period errors												
Others												
II. Opening balance of the current year	1,754,425,348.00				2,329,361,969.66	84,519,369.07			1,355,635,731.62	6,629,739,641.30		11,984,643,321.51
III. Increase or	-162,800.00				17,081,524.56	-37,715,252.4			117,788,505.80	-571,329,105.		-398,906,622.

decrease in the current period (decrease expressed with "-")						0				47		71
(I) Total comprehensive income										1,177,885.057.97		1,177,885.057.97
(II) Owner's investment and reduction of capital	-162,800.00			17,081,524.56	-37,715,252.40							54,633,976.96
1. Common stocks invested by the owner	-162,800.00											-162,800.00
2. Capital invested by holders of other equity instruments												
3. Amount of share-based payment included in owners'				20,980,024.56								20,980,024.56

equity												
4. Others					- 3,898, 500.00	- 37,715 ,252.4 0						33,816 ,752.4 0
(III) Profit distribution								117,78 8,505. 80	- 1,749, 214,16 3.44			- 1,631, 425,65 7.64
1. Provision for surplus reserves								117,78 8,505. 80	- 117,78 8,505. 80			
2. Distribution to owners (or shareholders)									- 1,631, 425,65 7.64			- 1,631, 425,65 7.64
3. Others												
(IV) Internal carry-over of owners' equity												
1. Conversion of capital reserve to capital (or share capital)												
2. Conversion of surplus reserve to capital (or share capital)												

)												
3. Losses covered by surplus reserve												
4. Changes in the defined benefit plan transferred to retained earnings												
5. Other comprehensive income carried forward to retained earnings												
6. Others												
(V) Special reserves												
1. Amount withdrawn in the current period												
2. Amount utilized in												

the current period												
(VI) Others												
IV. Closing balance in the current period	1,754,262,548.00			2,346,443,494.22	46,804,116.67			1,473,424,237.42	6,058,410,535.83			11,585,736,698.80