Shandong Boan Biotechnology Co., Ltd.
山东博安生物技术股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6955)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

1. Revenue

During the Reporting Period, the Group has built a dedicated commercialization team by the use of proactive marketing strategies and efficient executive capability in sales, through which the Group rapidly established a foothold in the domestic market, laying a solid foundation for the subsequent transformation of the Company. With the commercialization of five products, the Group witnessed a significant increase in revenue during the Reporting Period.

For the year ended 31 December 2025, the Group's revenue amounted to approximately RMB784.8 million, as compared to RMB726.3 million for the year ended 31 December 2024, representing an increase of approximately RMB58.5 million, or 8.1%.

2. Cost of Sales

Cost of sales of the Group primarily represents materials and consumables, labour costs associated with production, utilities and maintenance fees as well as depreciation and amortisation expenses of production equipment, facilities and intangible assets.

Our cost of sales increased from RMB183.7 million for the year ended 31 December 2024 to approximately RMB222.4 million for the year ended 31 December 2025, which accounted for approximately 28.3% of our total revenue for the same year (2024: 25.3%).

3. Gross Profit

For the year ended 31 December 2025, the Group recorded a gross profit of approximately RMB562.4 million, representing an increase of approximately RMB19.7 million, or 3.6%, as compared with that for the year ended 31 December 2024.

4. Selling and Distribution Expenses

For the year ended 31 December 2025, the Group's selling and distribution expenses amounted to RMB340.9 million, as compared to RMB285.8 million for the year ended 31 December 2024, representing an increase of RMB55.1 million, or 19.3%.

5. Research and Development Expenses

The following table sets forth a breakdown of the Group's research and development ("**R&D**") expenses for the years indicated:

	2025	2024
	RMB'000	*RMB'000*
R&D service fees	**35,046**	36,949
Raw materials and consumables expenses	**23,271**	31,334
Staff costs and share-based payments	**54,439**	54,485
Depreciation and amortisation expenses	**18,911**	15,483
Others	**15,971**	11,023
	147,638	149,274

For the year ended 31 December 2025, the Group's recognised R&D expenses were approximately RMB147.6 million, representing a decrease of approximately RMB1.7 million, as compared to the year ended 31 December 2024.

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Shandong Boan Biotechnology Co., Ltd. (the "**Company**" or "**Boan Biotech**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**", "**we**" or "**us**") for the year ended 31 December 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
REVENUE	*5*	**784,822**	726,316
Cost of sales		**(222,386)**	(183,663)
Gross profit		**562,436**	542,653
Other income and gains	*5*	**15,545**	45,088
Research and development costs		**(147,638)**	(149,274)
Administrative expenses		**(41,185)**	(46,460)
Selling and distribution expenses		**(340,898)**	(285,844)
Other expenses		**(2,458)**	(323)
Finance costs	*7*	**(38,658)**	(32,651)
PROFIT BEFORE TAX	*6*	**7,144**	73,189
Income tax expense	*8*	**–**	–
PROFIT FOR THE YEAR		**7,144**	73,189
Attributable to:			
Owners of the parent		**7,144**	73,189
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(200)**	(45)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(200)**	(45)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**6,944**	73,144
Attributable to:			
Owners of the parent		**6,944**	73,144
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted *(RMB)*	*10*	**0.01**	0.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**588,063**	594,765
Advance payments for property, plant and equipment and intangible assets		**95,797**	47,224
Right-of-use assets		**3,980**	10,035
Intangible assets		**1,424,490**	1,242,984
Total non-current assets		**2,112,330**	1,895,008
CURRENT ASSETS			
Inventories		**129,964**	168,251
Trade and notes receivables	*11*	**671,275**	453,604
Prepayments, other receivables and other assets		**79,120**	128,520
Pledged deposits		**2,549**	7,038
Cash and cash equivalents		**1,130,402**	198,867
Total current assets		**2,013,310**	956,280
CURRENT LIABILITIES			
Lease liabilities		**–**	1,787
Trade and notes payables	*12*	**148,289**	213,594
Other payables and accruals		**236,478**	168,096
Interest-bearing bank and other borrowings		**469,641**	254,047
Due to related parties	*14(c)*	**10,240**	11,157
Total current liabilities		**864,648**	648,681
NET CURRENT ASSETS		**1,148,662**	307,599
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,260,992**	2,202,607

	Note	**2025** ***RMB'000***	2024 *RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**–**	4,807
Interest-bearing bank and other borrowings		**313,635**	424,898
Government grants		**67,465**	5,342
Other non-current liabilities		**140,005**	123,522
Total non-current liabilities		**521,105**	558,569
Net assets		**2,739,887**	1,644,038
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**622,334**	535,934
Reserves		**2,117,553**	1,108,104
Total equity		**2,739,887**	1,644,038

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("**PRC**"). The registered office of the Company is located at No. 39 Keji Avenue, High-Tech Industrial Development Zone, Yantai, Shandong Province, China.

During the year, the Company and its subsidiaries were principally engaged in the development, manufacture and commercialisation of high quality biologics in the Chinese Mainland and worldwide.

2. BASIS OF PREPARATION

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

Basis of consolidation

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

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

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

(b) rights arising from other contractual arrangements; and

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

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

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

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

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

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group's operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	2025	2024
	RMB'000	*RMB'000*
Chinese Mainland	**747,629**	726,316
Other countries	**37,193**	–
Total revenue	**784,822**	726,316

(b) Non-current assets

	2025	2024
	RMB'000	*RMB'000*
Chinese Mainland	**2,112,105**	1,888,577
Other countries	**225**	6,431
Total non-current assets	**2,112,330**	1,895,008

The non-current asset information above is based on the locations of the assets.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	2025	2024
	RMB'000	*RMB'000*
Customer A	**136,427**	N/A*
Customer B	**94,452**	149,881

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the year.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025	2024
	RMB'000	*RMB'000*
Revenue from contracts with customers	**784,822**	726,316

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025	2024
	RMB'000	*RMB'000*
Types of goods or services		
Sale of products	**734,130**	689,853
Out-licensing agreements	**47,832**	34,510
Provision of research and development services	**2,860**	1,953
Total	**784,822**	726,316
Geographical markets		
Chinese mainland	**747,629**	726,316
Other countries	**37,193**	–
Total	**784,822**	726,316
Timing of revenue recognition		
Goods and services transferred at a point in time	**784,822**	724,363
Services transferred over time	**–**	1,953
Total	**784,822**	726,316

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025	2024
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	**11,419**	12,346

(b) Performance obligations

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

Sale of products

The performance obligation is satisfied upon acceptance of the goods and payment is generally due within one month to three months.

Out-licensing agreements

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

Provision of research and development services

The performance obligation related to certain research and development services is satisfied upon delivery and acceptance of the services/deliverables and payment is generally due within 7 days from the date of billing. The performance obligation related to certain research and development services is satisfied over time as services are rendered and payment is generally due within 7 days from the date of billing.

	2025	2024
	RMB'000	*RMB'000*
Other income and gains		
Government grants*	**7,855**	43,420
Bank interest income	**4,489**	405
Exchange gain	**1,031**	–
Gain on early termination of lease	**349**	–
Others	**1,821**	1,263
Total other income and gains	**15,545**	45,088

* The government grants mainly represent subsidies received from local government authorities to support the Group's research and development activities and operation. During the year, government grants amounting to RMB274,000 (2024: RMB267,000) were released from deferred government grants.

6. PROFIT BEFORE TAX

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

	2025	2024
	RMB'000	*RMB'000*
Cost of inventories sold	**219,688**	179,669
Cost of services provided	**–**	36
Depreciation of property, plant and equipment	**51,864**	42,834
Depreciation of right-of-use assets	**111**	1,754
Amortisation of intangible assets*	**35,842**	28,317
Research and development costs	**147,638**	149,274
Lease payments not included in the measurement of lease liabilities	**3,783**	4,574
Auditor's remuneration	**3,302**	2,972
Write-down of inventories to net realisable value**	**2,698**	3,958
Foreign exchange differences, net	**(1,031)**	239
Government grants	**(7,855)**	(43,420)
Impairment of trade receivables, net	**1,514**	2,168
(Reversal of impairment)/impairment of other receivables, net	**(509)**	509
Bank interest income	**(4,489)**	(405)
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration):		
Wages and salaries	**64,130**	64,709
Pension scheme contributions***	**19,037**	19,383
Staff welfare expenses	**5,263**	3,674
Share-based payment expense	**5,732**	11,368
Total	**94,162**	99,134

* The amortisation of technology know-how and software is included in "Research and development costs" in the consolidated statement of profit or loss and other comprehensive income. The amortisation of deferred development costs is included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

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

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

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025	2024
	RMB'000	*RMB'000*
Interest on bank and other borrowings	**38,021**	31,366
Interest on lease liabilities	**–**	326
Interest on discounted notes receivable	**637**	959
Total	**38,658**	32,651

8. INCOME TAX

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

The provision for current income tax in the Chinese Mainland is based on a statutory tax rate of 25% of the assessable profits of the PRC subsidiary of the Group as determined in accordance with the PRC Corporate Income Tax Law. During the year, the Company was accredited as a High and New Technology Enterprise and was entitled to a preferential income tax rate of 15% (2024: 15%).

Pursuant to the relevant tax laws of Singapore, the subsidiary which operates in Singapore was subject to corporate income tax at the rate of 17% (2024: 17%) on the taxable income.

Pursuant to the relevant tax laws of the USA, federal corporation income tax was levied at the rate of 21% (2024: 21%) on the taxable income arising in the USA.

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

	2025	2024
	RMB'000	*RMB'000*
Profit before tax	**7,144**	73,189
Tax charged at the statutory tax rate of 25%	**1,786**	18,297
Effect of different tax rates enacted by local authorities	**330**	644
Effect of preferential income tax rate enacted by local authority	**(3,806)**	(10,370)
Additional deductible allowance for research and development costs	**(23,181)**	(23,204)
Tax losses utilised from previous years	**(1,243)**	–
Expenses not deductible for tax	**2,241**	646
Deductible temporary differences not recognised	**18,257**	(9,266)
Tax losses not recognised	**5,616**	23,253
Tax charge at the Group's effective tax rate	**–**	–

9. DIVIDENDS

No dividends have been paid or declared by the Company during the year (2024: Nil).

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 575,569,858 (2024: 535,933,694) outstanding during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

11. TRADE AND NOTES RECEIVABLES

	2025	2024
	RMB'000	*RMB'000*
Trade receivables	**650,204**	435,237
Notes receivable	**24,753**	20,535
	674,957	455,772
Impairment	**(3,682)**	(2,168)
Net carrying amount	**671,275**	453,604

The Group's trading terms with its customers are mainly on credit. The credit period is generally one to three months, extending up to six months for major customers and depending on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

At 31 December 2025, notes receivable of RMB6,978,000 (31 December 2024: RMB7,043,000) whose fair values approximate to their carrying values were classified as financial assets at fair value through other comprehensive income under IFRS 9. The fair value changes of these notes receivable at fair value through other comprehensive income were insignificant. The remaining notes receivable of RMB17,775,000 (2024: RMB13,492,000) were measured at amortised cost.

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

	2025	2024
	RMB'000	*RMB'000*
Within 1 year	**646,464**	433,037
1 to 2 years	**58**	32
Total	**646,522**	433,069

The movement in the loss allowance for impairment of trade receivables is as follows:

	2025	2024
	RMB'000	*RMB'000*
At beginning of year	**2,168**	–
Impairment losses, net	**1,514**	2,168
At end of year	**3,682**	2,168

12. TRADE AND NOTES PAYABLES

	2025	2024
	RMB'000	*RMB'000*
Trade payables	**103,498**	125,137
Notes payable	**44,791**	88,457
Total	**148,289**	213,594

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

	2025	2024
	RMB'000	*RMB'000*
Within 3 months	**61,587**	64,322
3 to 6 months	**13,458**	11,970
6 to 12 months	**7,727**	19,507
1 to 2 years	**15,580**	24,794
Over 2 years	**5,146**	4,544
Total	**103,498**	125,137

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

The maturity of notes payable is within six months.

Notes payable were secured by certain of the deposits amounting to RMB2,549,000 (2024: RMB7,038,000).

13. SHARE CAPITAL

Shares

	2025	2024
	RMB'000	*RMB'000*
Issued and fully paid:		
622,333,694 (2024: 535,933,694) ordinary shares	**622,334**	535,934

A summary of movements in the Company's share capital is as follows:

	Number of shares	Share capital *RMB'000*
At 1 January 2024	509,278,094	509,278
Shares issued *(note)*	26,655,600	26,656
At 31 December 2024 and 1 January 2025	535,933,694	535,934
Shares issued *(note)*	86,400,000	86,400
At 31 December 2025	622,333,694	622,334

Note:

On 7 August 2024, a total of 26,655,600 shares were placed at a placing price of HK$9.5 per placing share, resulting in the issue of 26,655,600 shares for total proceeds, before expenses, of HK$253,228,000 (equivalent to RMB231,861,000). A portion of the gross proceeds amounting to HK$29,113,000 (equivalent to RMB26,656,000) was credited to share capital and the remaining balance after deducting expenses of HK$221,566,000 (equivalent to RMB202,871,000) was credited to the share premium account.

On 11 June 2025, a total of 38,400,000 shares were placed at a placing price of HK$10.42 per placing share, resulting in the issue of 38,400,000 shares for total proceeds, before expenses, of HK$400,128,000 (equivalent to RMB366,125,000). A portion of the gross proceeds amounting to HK$41,967,000 (equivalent to RMB38,400,000) was credited to share capital and the remaining balance after deducting expenses of HK$353,673,000 (equivalent to RMB323,618,000) was credited to the share premium account.

On 14 August 2025, a total of 48,000,000 shares were placed at a placing price of HK$16.42 per placing share, resulting in the issue of 48,000,000 shares for total proceeds, before expenses, of HK$788,160,000 (equivalent to RMB716,335,000). A portion of the gross proceeds amounting to HK$52,505,000 (equivalent to RMB48,000,000) was credited to share capital and the remaining balance after deducting expenses of HK$727,977,000 (equivalent to RMB665,517,000) was credited to the share premium account.

14. RELATED PARTY TRANSACTIONS

The Group's principal related parties are as follows:

Name	Relationship with the Company
Shandong Luye Pharmaceutical Co., Ltd. ("**Shandong Luye**")	The immediate holding company
Mr. Liu Dian Bo	Director of Shandong Luye
Yantai Luye Pharmaceutical Holdings Co., Ltd. ("**Yantai Luye**")	Shareholder of Shandong Luye
Luye Pharma Hong Kong Limited ("**Luye Hong Kong**")	Shareholder of Yantai Luye
Nanjing Luye Pharmaceutical Co., Ltd. ("**Nanjing Luye**")	Controlled by Yantai Luye
Yantai Luye Drugs Trading Co., Ltd. ("**Luye Trading**")	Controlled by Shandong Luye
Nanjing Junshi Management Consulting Co., Ltd. ("**Nanjing Junshi**")	Controlled by Shandong Luye
Nanjing Jimai Biological Technology Co., Ltd. ("**Nanjing Jimai**")	Controlled by Nanjing Luye
Shandong International Biotechnology Development Co., Ltd. ("**Biotech Park Development**")	Controlled by Mr. Liu Dian Bo
GeneLeap Biotechnology LLC ("**GeneLeap Biotechnology**")	Controlled by Mr. Liu Dian Bo
Yantai Pull Valley Winery Management Co., Ltd. ("**Pull Valley Winery**")	Controlled by Mr. Liu Dian Bo
Yantai Cellzone Medical Diagnostics Center Co., Ltd. ("**Yantai Cellzone**")	Controlled by Mr. Liu Dian Bo
Luye Investment Group Co., Ltd. ("**Luye Investment**")	Controlled by Mr. Liu Dian Bo
Luye Pharma (USA) Ltd. ("**Luye Pharma USA**")	Controlled by Mr. Liu Dian Bo

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

	Notes	**2025** ***RMB'000***	2024 *RMB'000*
Sales of goods to:			
Luye Trading	*(i)*	**–**	692
Lease and property management services from:			
Shandong Luye	*(ii)*	**1,837**	1,834
Biotech Park Development	*(ii)*	**2,634**	4,697
Nanjing Luye	*(ii)*	**289**	726
EHS management services from:			
Shandong Luye	*(ii)*	**–**	423
Operation services from:			
Nanjing Luye	*(ii)*	**288**	750
Nanjing Jimai	*(ii)*	**189**	340
Purchase of welfare goods from:			
Pull Valley Winery	*(ii)*	**116**	161
Advances from:			
Luye Hong Kong	*(ii)*	**–**	1,438
Payments on behalf by:			
Shandong Luye	*(iii)*	**5,049**	7,256
Biotech Park Development	*(iii)*	**1,939**	2,065
GeneLeap Biotechnology	*(iii)*	**–**	2,624
Luye Investment	*(iii)*	**334**	–
Luye Pharma USA	*(iii)*	**223**	–
Repayments to:			
Shandong Luye	*(iii)*	**3,673**	22,212
Biotech Park Development	*(iii)*	**2,614**	3,013
GeneLeap Biotechnology	*(iii)*	**464**	2,645
Luye Investment	*(iii)*	**378**	–
Luye Pharma USA	*(iii)*	**223**	–

Notes:

(i) The transaction price was determined on normal commercial terms, negotiated on arm's length basis, and on similar basis as the Group conducted businesses with major customers.

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

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

(b) Other transactions with related parties:

Shandong Luye, the Company's immediate holding company, and Yantai Luye, shareholder of Shandong Luye, have guaranteed certain bank loans made to the Group amounting to RMB134,881,000 (2024: RMB160,208,000) as at the end of the reporting period.

Shandong Luye, the Company's immediate holding company, has guaranteed certain bank and other borrowings made to the Group amounting to RMB584,972,000 (2024: RMB510,809,000) as at the end of the reporting period.

(c) Outstanding balances with related parties:

	2025	2024
	RMB'000	*RMB'000*
Trade receivables:		
Luye Trading	**–**	249
Due to related parties:		
Shandong Luye*	**4,353**	2,684
Biotech Park Development**	**1,023**	2,059
Nanjing Luye	**362**	482
Yantai Cellzone	**–**	1,164
Luye Hong Kong***	**2,770**	2,876
Nanjing Junshi	**1,532**	1,532
Nanjing Jimai	**200**	360
Total	**10,240**	11,157
Lease liabilities:		
GeneLeap Biotechnology	**–**	6,594

* As at the end of the reporting period, the outstanding balance of RMB1,004,000 (2024: RMB1,011,000) was trade in nature and RMB3,349,000 (2024: RMB1,673,000) was non-trade in nature.

** As at the end of the reporting period, the outstanding balance of nil (2024: RMB880,000) was trade in nature and RMB1,023,000 (2024: RMB1,179,000) was non-trade in nature.

*** The balances were non-trade in nature.

Other outstanding balances with related parties were all trade in nature.

The balances with related parties except for lease liabilities are unsecured, interest-free and have no fixed terms of repayment.

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

	2025	2024
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	**8,335**	9,560
Performance related bonuses	**564**	1,104
Pension scheme contributions	**649**	821
Share-based payment expense	**9,654**	14,409
Total compensation paid to key management personnel	**19,202**	25,894

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

Boan Biotech is a fully-integrated biopharmaceutical company that specializes in developing, manufacturing, and commercializing biologics, with a focus on oncology, autoimmune diseases, ophthalmology, and metabolic diseases. Our drug discovery activities revolve around multiple platforms, including: Human Antibody Transgenic Mouse and Phage Display Technology Platform, Bispecific T-cell Engager Technology Platform and Antibody Drug Conjugate ("**ADC**") Technology Platform.

We operate across the entire value chain of the industry covering antibody discovery, cell line development, upstream and downstream process development, analytical and bio-analytical method development, technology transfer, non-clinical research, clinical research, regulatory affairs and registration, and commercial production.

Our portfolio includes five products approved for marketing, along with a robust pipeline of proprietary investigational biologics and biosimilars. In addition to the People's Republic of China ("**China**" or "**Chinese Mainland**"), we are also developing biopharmaceutical products in overseas markets, including the United States ("**U.S.**"), the European Union ("**EU**"), the United Kingdom ("**UK**") and Japan. With a differentiated portfolio and well-established commercial capabilities, we operate across the industry's value chain from research and development to manufacturing and commercialization, laying a solid foundation for long-term, high-quality growth in the future.

2025 Annual Review

From the beginning of 2025, we have made significant achievements in all aspects of pipeline development, sales and marketing, manufacturing, and business collaboration.

During the Reporting Period, we recorded an increase in revenue of 8.1% to RMB784.8 million as compared to that of 2024, which demonstrated our continued capability to bring our biologics portfolio to market and maintain market share. We have two new products approved for marketing in Chinese Mainland (excluding Hong Kong, Macau and Taiwan regions of China). In August 2025, our Boyouping®, the dulaglutide injection for glycemic control in adults with type 2 diabetes, has been approved for marketing in Chinese Mainland. In November 2025, our Boyoujing®, the aflibercept intravitreous injection for the treatment of neovascular (wet) age-related macular degeneration ("**nAMD**") and diabetic macular edema ("**DME**") in adults, has been approved for marketing in Chinese Mainland. In addition, our bevacizumab injection (Boyounuo®), 60mg and 120mg denosumab injection (Boyoubei® and Boluojia®) have been approved for marketing in Macau in May 2025 and 60mg denosumab injection (Boyoubei®) has been approved for marketing in Bolivia in January 2026. As of the date of this announcement, five of our products (Boyounuo®, Boyoubei®, Boluojia®, Boyouping® and Boyoujing®) have been successfully marketed in Chinese Mainland and other countries or regions. These products have been sold to over 3,180 target hospitals and institutions in China. A number of post-marketing clinical observational studies have been carried out on these marketed products. We believe that with the approvals of new products in

Chinese Mainland and other regions or countries, the accumulation of more clinical data, the coverage of wider hospitals or distribution channels and various external collaborations with experienced partners, our sales of products will maintain high growth.

For the progress of pipeline products in China, the patient enrollment has been completed for a phase 3 clinical study of BA1104 (Nivolumab Injection) in October 2025. We also have 4 pipeline products (BA2101, BA1106, BA1301 and BA1302) progressing well in their phase 1/2 clinical trials in China and 3 pipeline products (BA1203, BA2201 and BA1304) progressing well in their pre-clinical studies. Among them, the early research findings about BA1106 have been presented at the 2025 Annual Meeting of the American Association for Cancer Research ("**AACR**") and the dose escalation clinical trial of BA1106 in combination with BA1104 has begun patient enrollment in June 2025. The preliminary results of the ongoing phase 1 clinical study for BA1301 have been presented at the 2025 Congress of the European Society for Medical Oncology ("**ESMO 2025**").

For the progress of pipeline products overseas, the international multi-center phase 3 clinical study for our Denosumab Injection (BA6101 and BA1102) initiated in Europe, the U.S., and Japan is progressing well. The Marketing Authorization Applications ("**MAAs**") for BA6101 and BA1102 have been accepted by the Medicines and Healthcare products Regulatory Agency ("**MHRA**") in the UK. Regarding BA1104 and BA5101, we have held Biological Product Development ("**BPD**") type 2b meetings with the Food and Drug Administration ("**FDA**"). The FDA has agreed on a "streamlined" clinical approach for BA1104 and BA5101 to support the submission of biologics license application ("**BLA**") in the U.S.. In comparison to a traditional approach with separate phase 1 and phase 3 trials, this "streamlined" single clinical trial approach is projected to significantly reduce clinical development costs and shorten the clinical development timeline. In March 2025, BA1302 was granted the Orphan Drug Designations ("**ODD**") by the FDA for the treatment of squamous non-small-cell lung cancer and pancreatic cancer respectively. In June 2025, BA1302 has been approved to initiate clinical trials by the FDA.

We continued to consolidate our R&D capabilities and industry influence. As of 31 December 2025, our R&D team had 245 experienced employees covering biopharmaceutical discovery research, biotechnology research, biopharmaceutical analysis research, biological activity research, non-clinical research, pilot process research, clinical research, regulatory affairs, project management and intellectual property and other R&D functions. From the beginning of 2025 to the date of this announcement, we have been granted 12 new patents and 6 new pending patent applications worldwide. As of the date of this announcement, we have been granted 53 patents and have 43 pending patent applications worldwide.

We have sufficient production capacity to meet the current commercial needs of our products. As of the date of this announcement, we have commercial production capacity of 9,000L and pilot production capacity of 2,000L. During the Reporting Period, we achieved significant improvements in quality and efficiency by enhancing and upgrading the production processes of existing products, continuously advancing digital manufacturing, and implementing domestic substitutions to reduce production costs. We have also built an electronic data environment for production, document management, training, warehousing and other aspects, promoting the integration of production data, flexible manufacturing, and intelligent management, improving production efficiency and production operation flexibility, optimizing production costs, and ensuring drug quality and patient safety. In June 2025, the Department of Industry and Information Technology of Shandong Province released the "2025 Provincial Quality Benchmarking Typical Experience List", and we have been successfully selected into the list for its "intelligent quality management practice based on multi-system integration", marking the recognition of our practical achievements in the field of quality management by provincial authorities. In September 2025, the Department of Industrial and Information Technology of Shandong Province officially announced the List of Shandong Green Manufacturing Units for 2025 and we have been successfully selected for the list and awarded the title of "Shandong Green Factory" by virtue of our outstanding practices in green intelligent manufacturing.

We are actively exploring external business development and licensing-out arrangements. In January 2025, the exclusive promotion rights of our 60mg and 120mg denosumab injection (Boyoubei® and Boluojia®) in Hong Kong and Macau have been granted to Kexing Biopharm Co.,Ltd. ("**Kexing**"). In June 2025, we have granted Shanghai Pharmaceutical Co., Ltd. ("**Shaphar**") the exclusive right to commercialize Boyouping® in the Chinese Mainland. We and Shaphar will work together to enhance both the accessibility and the market coverage of Boyouping®. As a leading distributor of pharmaceuticals in China, Shaphar has established a nationwide distribution network covering over 70,000 healthcare institutions across 25 provinces, with a sales & marketing team of nearly 1,000 people. With its strong expertise in integrated sales & marketing across channels as well as its extensive distribution network, Boyouping® will be distributed to hospitals, retail pharmacy chains, and Direct-to Patient ("**DTP**") pharmacies throughout China at the fastest speed possible. We have also granted Shaphar the exclusive commercialization right of denosumab injections in Southeast Asian markets, including Philippines, Vietnam, Singapore, Malaysia and Thailand. In addition, we have also granted Kexing the exclusive right to market and distribute our aflibercept intravitreous injection (BA9101) in all countries and regions in the world except for the Chinese Mainland, the EU, the United Kingdom ("**U.K.**"), the U.S., and Japan in June 2025. In December 2025, we have granted Nanjing King-Friend Biochemical Pharmaceutical Co., Ltd. ("**NKF**") the exclusive rights to commercialize two denosumab injections (BA6101 and BA1102) in the U.S.. NKF has well-established R&D, quality assurance, regulatory and sales teams in the U.S. To date, NKF has supplied nearly 100 products across the North American market, establishing itself as one of the suppliers with the most comprehensive injectable product portfolios for sales in the region. In March 2026, we and DP Technology have officially entered into a strategic cooperation. The two parties will jointly build an AI for Science (AI4S)-driven innovation model. Furthermore, we have continuously discussed with a number of pharmaceutical companies (including multinational corporations ("**MNCs**")) or investment institutions for the licensing or co-development of our innovative drug pipelines, and explored international commercialization cooperation with our overseas partners for our products that have been marketed or completed clinical trials in China.

In May 2025, we have been included in the MSCI Global Small-Cap Index, reflecting the authoritative index compiler's recognition of our high growth, and also helping us to obtain close attention and key allocation of global funds, injecting strong impetus into our future development.

Apart from the abovementioned achievements, we also believe the following strengths and progress have contributed towards our success and differentiated us from other biopharmaceutical companies.

Risk-Balanced Product Pipeline

We, through years of efforts and dedication, have incubated a robust and risk-balanced portfolio, which brings us clear short-term commercial visibility and allows us to pursue long-term sustainable growth. Specifically, our portfolio, including five products approved for marketing and eight innovative candidates under different stages of clinical trials or pre-clinical studies, as of the date of this announcement, focuses on popular key therapeutic areas including oncology, metabolism, autoimmunity, and ophthalmology, which entail significant unmet needs and potential in China and overseas markets.

The following table summarizes our Commercialized Products and drug candidate pipeline under development in China and worldwide across various therapeutic areas as of the date of this announcement:

	Therapeutic area	Product (reference drug)	Target	Indication	Territory	Clinical trial region	Pre-clinical / IND / Phase 1a / Phase 1b/2 / Phase 3 / BLA filed / Launched
Innovative Antibody Portfolio	Oncology	BA1106	CD25	Lung cancer, MSI-H/dMMR solid tumors, gastric cancer, etc.	Global	CN	
		BA1301	Claudin18.2 ADC	Biliary tract cancer, gastric cancer, cervical cancer, ovarian cancer, etc.	Global	CN	
		BA1302	CD228 ADC	Lung cancer, esophageal cancer, breast cancer, melanoma, head and neck cancer, biliary tract cancer, etc.	Global	CN	
						US	IND approved
		BA1304	EGFR/B7H3 ADC	Lung cancer, esophageal cancer, CRC, etc.	Global	CN	
		BA1203	PD-1/IL-2	Gastric cancer, lung cancer, urothelial carcinoma, esophageal cancer, gynecologic cancer, etc.	Global	CN	
	Autoimmune	BA2101	IL4R (Long-Acting)	Atopic dermatitis, asthma, COPD, etc.	Global	CN	Chinese mainland rights for respiratory disease indications of BA2101 given to Joincare
		BA2201	TL1A/IL-23	Inflammatory bowel disease, etc.	Global	CN	
Biosimilar Portfolio	Oncology	Boyounuo® (BA1101, Avastin® biosimilar)	VEGF	mCRC, advanced metastatic or recurrent NSCLC, recurrent GMB, HCC, epithelial ovarian cancer, fallopian tube cancer or primary peritoneal cancer, and cervical cancer.	Global	CN	
						BR	BLA accepted
		Boluojia® (BA1102, Xgeva® biosimilar)	RANKL	Bone metastases from solid tumors, GCTB, and hypercalcemia of malignancy refractory to treatment.	Global	CN	Promotion rights in HK &Macau given to Kexing
						Overseas	LPO of EU&US&JP Ph III ; rights of overseas licensed to several partners
		BA1104 (Opdivo® biosimilar)	PD-1	Melanoma, NSCLC, MPM, RCC, cHL, HNSCC, urothelial carcinoma, CRC, HCC, esophageal cancer, gastric cancer, etc.	Global	CN	
						Overseas	Completed communication with FDA and waived Ph III
	Metabolism	Boyoubei® (BA6101, Prolia® biosimilar)	RANKL	Postmenopausal osteoporosis, male osteoporosis, glucocorticoid-induced osteoporosis, bone loss in men undergoing ADT for prostate cancer, and bone loss in women receiving aromatase inhibitor therapy for breast cancer.	Global	CN	Promotion rights of mainland given to CP Qingdao promotion rights of HK&Macau given to Kexing
						Overseas	Bolivia launched ; LPO of EU&US&JP Ph III ; rights of overseas licensed to several partners
		Boyouping® (BA5101,Trulicity® biosimilar)	GLP-1	Glycemic control in type 2 diabetes and reduction of the risk of adverse cardiovascular events in patients with type 2 diabetes.	Global	CN	
						Overseas	IND approved by FDA
	Ophthalmology	Boyoujing® (BA9101, Eylea® biosimilar)	VEGF	wAMD, DME, RVO, DR, CNV associated with pathological myopia, and ROP.	Global	CN	Promotion rights given to Ocumension
						Overseas	Rights of emerging countries licensed to Kexing

Commercialized products

Boyounuo® (BA1101, bevacizumab injection): *an anti-VEGF humanized monoclonal antibody injection and a biosimilar to Avastin® independently developed by us.*

It has been approved for marketing by the NMPA in China in April 2021. As of the date of this announcement, Boyounuo® has been approved for 6 indications (mCRC, advanced metastatic or recurrent non-small cell lung cancer, recurrent glioblastoma, epithelial ovarian, fallopian tube or primary peritoneal cancer, cervical cancer and hepatocellular carcinoma) and all its indications have been included in the NRDL.

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

- Apart from China, it is also under BLA review in Brazil.

Boyoubei® (BA6101, 60mg denosumab injection): *a human immunoglobulin G2 monoclonal antibody of the RANK ligand and the first biosimilar to Prolia® independently developed by us.*

It has been approved for marketing by the NMPA in China for the treatment of postmenopausal women with osteoporosis at high risk for fracture in November 2022. It has been included in the NRDL and we have granted Qingdao Conson Pharmaceutical Co., Ltd. ("**Qingdao Conson**") the exclusive right to commercialize Boyoubei® in Chinese Mainland. In addition, the commercialization rights of this product have been licensed to partners in multiple countries and regions worldwide, and the product is currently under marketing review in some of these jurisdictions.

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

- Apart from China, we have completed the enrollment of all subjects for an international multicenter phase 3 clinical study of denosumab injection in Europe, the U.S., and Japan and the clinical study is progressing well. According to the Guidelines by the FDA, the European Medicines Agency ("**EMA**") and the Japanese Pharmaceuticals and Medical Devices Agency ("**PMDA**") and based on our discussions with the FDA, EMA and PMDA, after completion of this phase 3 clinical study, we can submit BLAs for BA6101 for all the indications approved for Prolia® in the U.S., Europe, and Japan, respectively.

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

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

Boluojia® (BA1102, 120mg denosumab injection): *a fully human IgG2 anti-RANKL monoclonal antibody and a biosimilar to Xgeva® independently developed by us.*

It has been approved for marketing by the NMPA in China for the treatment of giant cell tumor of bone that is unresectable or where surgical resection is likely to result in severe morbidity in adults and skeletally mature adolescents (defined as having at least one mature long bone and with body weight≥45 kg) in May 2024. At the same time, we are working on the BLA of Boluojia® in China for the indications of bone metastases from solid tumors and multiple myeloma. In addition, the commercialization rights of this product have been licensed to partners in multiple countries and regions worldwide, and the product is currently under marketing review in some of these jurisdictions.

- In February 2025, the phase 3 clinical trial results of BA1102 were published in Journal of Bone Oncology.

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

- Apart from China, we have completed the enrollment of all subjects for an international multicenter phase 3 clinical study of denosumab injection in Europe, the U.S., and Japan and the clinical study is progressing well. According to the Guidelines by the FDA, EMA and PMDA and based on our discussions with the FDA, EMA and PMDA, after completion of this phase 3 clinical study, we can submit BLAs for BA1102 for all the approved indications as Xgeva® in the U.S., Europe, and Japan, respectively.

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

Boyouping® (BA5101, dulaglutide injection): *a long-acting glucagon-like peptide-1 (GLP-1) receptor agonist and a biosimilar to Trulicity® independently developed by us.*

- In April 2025, the phase 3 clinical trial results of BA5101 have been published in Journal of Diabetes.

- In August 2025, it has been approved for marketing in China for glycemic control in adults with type 2 diabetes. Boyouping® is the first and only biosimilar to Trulicity® approved for marketing in the world. We are partnering with Shaphar to commercialize this drug in the Chinese Mainland.

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

- In November 2025, it has been approved for marketing in China for wet nAMD and DME in adults. Aflibercept is widely used as a first-line treatment for wet nAMD, DME, Macular Edema Following Retinal Vein Occlusion (RVO), Diabetic Retinopathy (DR), Visual Impair due to Myopic Choroidal Neovascularization (mCNV) and Retinopathy of Prematurity (ROP) worldwide, and its future market is promising driven by the demand in the clinical practice. We have granted OcuMension Therapeutics (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 1477) an exclusive right to promote and commercialize BA9101 in Chinese Mainland.

Products to be commercialized in the near future

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

Being a broad-spectrum anticancer medication, Nivolumab has been approved for multiple indications both in China and abroad. These include its use as a neoadjuvant, an adjuvant, or a first-line or later-line therapy for advanced cancers. It can be used as a standalone treatment, in combination with chemotherapy, or alongside novel immune checkpoint inhibitors. Nivolumab has become a product of basic therapy for a variety of solid tumors.

- In March 2025, we have held a BPD type 2b meeting with the FDA. The FDA has agreed on a "streamlined" clinical approach for BA1104, which means only one PK similarity study (phase 1) is sufficient to support the submission of BLA in the U.S., and the comparative clinical study (CCS, phase 3) is not needed. In addition, the FDA has agreed on the design of this study, including the subject population, the sample size, the dose, the treatment duration, and the clinical endpoints. In comparison to a traditional approach with separate phase 1 and phase 3 trials, this "streamlined" single clinical trial approach is projected to significantly reduce clinical development costs and shorten the clinical development timeline.

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

Other pipeline products in phase1/2 clinical trials

BA2101: *a long-acting human monoclonal antibody of the IgG4 subtype that targets interleukin-4 receptor subunit α (IL-4Rα) independently developed by us.*

The investigational drug can inhibit IL-4 and IL-13 signaling simultaneously, regulate the Th2 inflammatory pathway, and reduce eosinophils and circulating IgE levels. It is intended to be used for treating allergic diseases caused by Th2 inflammation. We have obtained regulatory approval to conduct clinical trials of BA2101 for indications including atopic dermatitis, asthma, chronic obstructive pulmonary disease ("**COPD**"), chronic rhinosinusitis with nasal polyps, prurigo nodularis, and chronic spontaneous urticaria. Compared to drugs with the same target which usually require dosing every two weeks, BA2101 can remain active for a longer period of time. Preclinical studies show that BA2101 has a longer half-life in cynomolgus monkeys than a marketed product with the same target, a feature that is expected to enable dosing once every four weeks in humans. Results of the completed phase 1 clinical trial show that BA2101 has a longer half-life and lower clearance rate than the marketed product. We have completed the phase 1 clinical trial of BA2101 in 2023 and initiated a phase 2 clinical trial of BA2101 in January 2024. In addition, we have granted Joincare Pharmaceutical Group Industry Co., Ltd. ("**Joincare**") the exclusive right to develop and commercialize BA2101 in Chinese Mainland for treating respiratory diseases such as asthma and COPD.

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

BA1106 is the first investigational anti-CD25 antibody to start clinical trials in China for treating solid tumors. Regulatory T cells (Tregs) drive immunosuppression in the tumor microenvironment by inhibiting the antitumor effects of various immune cells, such as T cells. Tregs are present in a wide range of malignancies, including cervical cancer, renal cancer, ovarian cancer, melanoma, pancreatic cancer, hepatocellular cancer, gastric cancer, and breast cancer, etc. The elevated level of Tregs is associated with poor survival. CD25, also known as interleukin-2 receptor alpha (IL-2Rα), is highly expressed in Tregs, making it a high-potential target for a broad spectrum of antitumor immunotherapies. Antibodies targeting CD25 can deplete Tregs and enhance anti-tumor activity of T cells. However, developing anti-CD25 antibodies faces two major challenges. The first is that CD25 is also expressed at low levels in Effector T cells ("**Teffs**"), so anti-CD25 antibodies with high activities may deplete Teffs unspecifically while targeting Tregs. The second is that anti-CD25 antibodies tend to block IL-2 signaling, thereby suppressing the antitumor activity of T cells.

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

In 2023, BA1106 entered a phase 1 clinical trial in China. As of the date of this announcement, this phase 1 clinical trial is well progressing.

- In April 2025, the early results from a multicenter, open-label, first-in-human phase 1 clinical trial have been presented at the 2025 AACR. As of the trial's data cutoff, 31 patients with relapsed or refractory advanced solid tumors have received at least one dose of BA1106. The early results are as follows: (i) BA1106 has the potential for treating multiple types of solid tumors. In the 31 patients who had progressed following prior systemic treatments, including immunotherapies, BA1106 induced tumor shrinkage and durable disease stabilization across multiple tumor types. Patients who were the earliest to receive BA1106 have been on treatment for over one year; (ii) BA1106's pharmacodynamic ("**PD**") profile matches its intended mechanism of action. Peripheral Tregs were selectively depleted, the effector-to-regulatory T-cell ratio increased markedly, and no Teff-depletion was observed, underscoring a favorable PD profile; (iii) BA1106 is safe and tolerable. Maximum tolerated dose was not reached and no treatment-related serious adverse event ("**SAE**") was reported up to the highest tested dose of 1.2 mg/kg. The overall incidences of SAE, treatment-related adverse events, and skin toxicity were low for BA1106, consistent with the candidate's moderate Treg-depletion activity; and (iv) BA1106 demonstrated a good PK profile with low immunogenicity, and its anti-drug antibody detections were uniformly negative.

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

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

BA1301 for injection is our first novel ADC candidate that targets Claudin 18.2. It utilizes C-Lock site-specific conjugation to link the tubulin inhibitor payload, Duostatin-5, with a CLDN18.2-targeting monoclonal antibody. This enables the precise delivery of the cytotoxic payload to tumors, maximizing the anti-tumor activity while reducing the off-target toxicity and widening the therapeutic window. In addition, the bystander effect of the ADC further enhances its efficacy against heterogeneous tumors in gastric cancer and other GI malignancies.

In 2023, BA1301 entered a phase 1 clinical trial in China. As of the date of this announcement, this phase 1 clinical trial is well progressing. We have completed the monotherapy dose-escalation part of this clinical trial and are undergoing the dose expansion part.

BA1301 has been granted the ODD by the FDA for the treatment of gastric cancer, including cancer of gastroesophageal junction and pancreatic cancer.

- In October 2025, the preliminary results of the ongoing phase 1 clinical study for BA1301 have been presented at the ESMO 2025. The study presented at ESMO 2025 is a first-in-human, multicenter, open-label, dose-escalation and dose-expansion phase 1 clinical trial. It's designed to evaluate the safety, tolerability, pharmacokinetics, and preliminary efficacy of the BA1301 monotherapy in patients with advanced solid tumors. At the data cutoff, 59 patients had received at least one dose of BA1301. Key findings are as follows: 1) Therapeutic potential across GI tumors: In patients with advanced gastric cancer with moderate-to-high CLDN18.2 expression, the 2.0 mg/kg dose cohort achieved an objective response rate (ORR) of 30.8% and a median progression-free survival (mPFS) of 6.1 months. Encouraging efficacy was also observed in other cancer types, including pancreatic cancer and advanced cholangiocarcinoma; 2) Favorable safety and tolerability: The overall incidence and severity of hematologic and gastrointestinal adverse events were generally low. Among drug-related Grade ≥3 adverse events (AEs), the incidence of anemia and a decreasing neutrophil count was both 1.7%, while the incidence was 1.7% for vomiting and 0% for nausea, showing a clear superiority over other investigational CLDN18.2-targeting ADCs. The incidence of serious adverse events (SAEs) was only 8.5%, and no treatment-related deaths occurred; 3) Better Stability of the ADC molecule: Based on its pharmacokinetic profile, at a dose of 2 mg/kg, the area under the curve (AUC) of Duostatin-5 was approximately 0.002% of that of the total antibody of the BA1301, an indication of low payload dissociation in plasma, which highlighted the advantage of the C-Lock site-specific conjugation approach.

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

CD228 is highly expressed in various solid tumors, including melanoma, breast cancer, non-small cell lung cancer, mesothelioma, colorectal cancer and pancreatic cancer, with low expression in normal tissues, making CD228 an ideal target. BA1302 employs a cleavable hydrophilic linker to conjugate the cytotoxic payload MMAE to an anti-CD228 monoclonal antibody via the cysteines in hinge region. This enables the antibody to specifically deliver the payload into the tumor tissues, exerting anti-tumor effects while reducing the toxicity and expanding the therapeutic window.

Preclinical studies demonstrated that BA1302 was highly potent in internalization and the bystander effect, effectively inhibiting tumor growth in various patient-derived xenograft models, indicating that it is a promising drug candidate either as a monotherapy or in combination with other therapies in pan-tumor indications. Compared with marketed ADCs utilizing MMAE as the payload, BA1302 exhibited a longer half-life, higher exposure, and more favorable safety profile in cynomolgus monkeys.

In July 2024, BA1302 has been approved to initiate clinical trials for treating multiple types of advanced solid tumors in China. This is the first CD228 targeted novel ADC drug candidate approved for clinical trials in China. As of the date of this announcement, this clinical trial is progressing well.

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

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

Other pipeline products in pre-clinical stage

BA1304: *a bispecific ADC targeting B7-H3 and EGFR independently developed by us.*

It is constructed via glycan-based site-specific conjugation technology, intended for multiple tumor indications, such as lung cancer, colon cancer, bladder cancer, kidney cancer, and esophageal cancer. BA1304 utilizes a "1+1" common light chain format, which contributes to its excellent developability and high homogeneity. BA1304 employs multiple anti-tumor mechanisms of action, including potent ADC-mediated cytotoxicity, enhanced blockade of EGFR signaling, efficient internalization mediated by both EGFR and B7-H3, and antibody dependent cell-mediated cytotoxicity. The bispecific design enhances binding to tumor cells co-expressing EGFR and B7-H3 while reducing binding to normal tissues expressing only a single target. This selectivity significantly lowers the risk of on-target off-tumor toxicity. In non-human primate studies, maximal tolerable dose exceeded 60 mg/kg. BA1304 employs Exatecan as its payload, enabling it to overcome drug resistance and demonstrate broad spectrum anti-tumor potential. In a variety of solid tumor models, BA1304 has shown potent in vitro cytotoxicity against cancer cells with varying target expression levels, including B7-H3 low/EGFR low, B7-H3 high/EGFR low, B7-H3 low/EGFR high, and B7-H3 high/EGFR high.

- As of the date of this announcement, it is under pre-clinical stage.

BA1203: *a PD-1/IL-2 antibody-cytokine fusion protein independently developed by us.*

It is a prodrug and employs a symmetric structure, which is conducive to stable and controllable manufacturing processes. The proprietary anti-PD-1 antibody component has high affinity and potent activity, efficiently blocking the PD-1 signaling pathway while enabling selective delivery of Interleukin-2 ("**IL-2**"). The IL-2 moiety incorporates a masking design that enables its selective release within the tumor via two mechanisms: cis-activation and tumor microenvironment-specific enzymatic cleavage. This architecture mitigates potential systemic toxicity. BA1203 has demonstrated excellent anti-tumor efficacy in multiple tumor models where anti-PD-1/PD-L1 antibodies were ineffective or showed limited activity.

- As of the date of this announcement, it is under pre-clinical stage.

BA2201: *a bispecific antibody targeting TL1A and IL23p19 independently developed by us.*

Its potential indications include inflammatory bowel disease, psoriasis, and psoriatic arthritis, etc. The antibodies in BA2201 were selected based on their high activity and low immunogenicity, thereby enhancing BA2201's prospects for successful development. The anti TL1A antibody, derived from the BA-huMab® platform, binds to a unique epitope and exhibits excellent neutralizing activity. Its bispecific design, incorporating a novel 1+1 format and Fc engineering for half-life extension, exhibits favorable developability and potent efficacy both in vitro and in vivo. The data from the in vitro and in vivo immunogenicity assay demonstrated a low immunogenicity risk for BA2201. BA2201 also shows long half-life in Cynomolgus Monkeys, supporting the expectation of a dosing frequency of once every 3 months in human. In addition, the successful development of a high-concentration formulation for BA2201 allows for convenient subcutaneous administration. In summary, BA2201 demonstrates outstanding performance and rapid progress, with the potential to be first/best-in-class.

- As of the date of this announcement, it is under pre-clinical stage.

Strong R&D Capabilities

We have a fully-fledged proprietary R&D technology platform focusing on antibody discovery and drug development. We have R&D teams and facilities located in Yantai and Nanjing in China and Boston in the U.S., with rich experience and strong track records in drug discovery and development. In terms of technology, we boast proprietary Human Antibody Transgenic Mouse and Phage Display Technology Platform, Bispecific T-cell Engager Technology Platform and ADC Technology Platform which we believe these will provide us with great technological support.

We take pride in our strong chemistry, manufacturing and controls ("**CMC**") capability which is the backbone of the quality and cost efficiency that we have maintained throughout the process of our drug development and commercial production, especially in cell line development, upstream and downstream process development, analytical and bio-analytical method development as well as technology transfer. Our CMC function establishes practical qualitative and quantitative standards for us to maintain product quality and effectively progresses drug discovery to actual manufacturing.

Our strong CMC capability accumulated through the years of effort has shortened drug development time and enabled speed to market. We believe such capability is a formidable barrier to competitors and has paved the way for our first-mover advantage.

Our high caliber R&D team has outstanding execution capability in drug development with a proven track record. As of 31 December 2025, our R&D team consisted of 245 experienced employees covering biopharmaceutical discovery research, biotechnology research, biopharmaceutical analysis research, biological activity research, non-clinical research, pilot process research, clinical research, regulatory affairs, project management and intellectual property and other R&D functions, most of whom had R&D and clinical experience of more than seven years.

As a biopharmaceutical company, we are keenly aware of the importance of establishing and protecting our intellectual property rights. We have filed a number of patent applications for our drug candidates in various jurisdictions, and expect to rely on a combination of patents, trademarks, trade secrets and other intellectual property rights, as well as employee and third party confidentiality agreements, for safeguarding our intellectual properties. As of the date of this announcement, we have been granted 53 patents and have 43 pending patent applications worldwide.

Underpinned by our strong R&D capability, we have published 20 research papers in world renowned academic journals including Cell Discovery of Nature, Antibody Therapeutics, and Cancer Communications, introducing our research breakthroughs on some of our drug candidates.

In March 2025, with differentiated product portfolio, excellent innovation capabilities, comprehensive biopharmaceutical platform and increasingly mature commercialization capabilities, we have demonstrated innovative breakthrough power and high growth, and been awarded as the annual "Top 100 Innovation and Breakthrough Enterprises" by BIOCHINA. In August 2025, we have also been awarded as the 2025 "Top 101 Innovative Pharmaceutical Companies in China" by the 7th China Pharmaceutical Industry Expo (CMC Pharmaceutical Expo).

Strong Manufacturing Capability with High Quality and Cost Efficiency

We have a sizable pilot and commercial production site located in Yantai, China. We employ a robust quality management system for the Yantai Site that meets various quality standards such as good manufacturing practice set by the relevant regulatory authorities of China and the EU Quality Person ("**QP**"). We have passed a number of audits in China and the EU QP. Our Yantai Site, having a total gross floor area of approximately 84,474 sq.m., houses a number of production lines with a total capacity of 2,000L for pilot production and 9,000L for commercial production, as well as two formulation filling lines for both pilot and commercial production as of the date of this announcement. Our manufacturing system, including production, quality, engineering, etc., is managed by a strong and integrated team, of 384 employees as of 31 December 2025.

Apart from production capacity, our proprietary manufacturing capability, such as perfusion culture and fed-batch culture, provides flexibility and improves the throughput and production efficiency. Our Yantai Site is also highly versatile, adaptable to manufacturing drugs targeting different antibodies, and is capable of producing various formulations. To further improve production cost efficiency, we utilize digital management in our production.

While improving production efficiency and scale, we are also practising the concept of green and sustainable development. By formulating a sound environmental management system, we improve resource utilization, promote energy conservation and emission reduction, accelerate the application of artificial intelligence, promote digital transformation, and promote the high quality development of enterprises.

In June 2025, the Department of Industry and Information Technology of Shandong Province released the "2025 Provincial Quality Benchmarking Typical Experience List", and we have been successfully selected into the list for its "intelligent quality management practice based on multi-system integration", marking that our practical achievements in the field of quality management have been recognized by provincial authorities. In September 2025, the Department of Industrial and Information Technology of Shandong Province officially announced the List of Shandong Green Manufacturing Units for 2025 and we have been successfully selected for the list and awarded the title of "Shandong Green Factory" by virtue of our outstanding practices in green intelligent manufacturing.

Well-Established Commercialization Capability

We have successfully expanded our commercial portfolio into five products (Boyounuo®, Boyoubei®, Boluojia®, Boyouping® and Boyoujing®) spanning over multiple therapeutic areas.

During the Reporting Period, we have increased product revenue by 6.4% to RMB734.1 million, compared to RMB689.9 million for the year ended 31 December 2024, mainly driven by the strong growth of our second marketed product Boyoubei® and three newly approved products Boluojia®, Boyouping® and Boyoujing®.

Leveraging our well-established and demonstrated commercialization capability backed by marketing strategies implemented by our dedicated sales and marketing team, we believe that we are well positioned to achieve speed to market and rapid ramp-up of product sales. Internally, we have a dedicated in-house sales and marketing team with extensive industry experience, and they develop and implement marketing and sales initiatives and plans for our product and drug candidates in their scheduled rollouts. Externally, we collaborate with various resourceful business partners which lay the foundation for our strong commercialization capability. Our collaboration with experienced third-party promoters effectively publicizes and maximizes market potential of our products.

We had an extensive distribution network of more than 226 distributors as of 31 December 2025, penetrating selected regions and reaching more than 3,180 target hospitals and institutions in China.

In May 2025, our Boyounuo®, 60mg and 120mg denosumab injection (Boyoubei® and Boluojia®) have been approved for marketing in Macau. In August 2025, our fourth product Boyouping® has been approved for glycemic control in adults with type 2 diabetes mellitus in China. Boyouping® is the first and only biosimilar to Trulicity® approved for marketing in the world. In November 2025, our fifth product Boyoujing® has been approved for wet nAMD and DME in adults in China. In January 2026, 60mg denosumab injection (BA6101) has also been approved for marketing by the Agencia Estatal de Medicamentos y Tecnologías en Salud ("**AGEMED**") in Bolivia.

Extensive Collaboration with Various Resourceful Business Partners

We have explored a number of cooperations with well-known domestic and foreign companies in various fields as of the date of this announcement.

For our launched products in China, we have granted Qingdao Conson the exclusive right to promote Boyoubei® in Chinese Mainland since 2023 and granted OcuMension Therapeutics the exclusive right to promote Boyoujing® in Chinese Mainland after its launch. In January 2025, we have granted the promotion rights of denosumab injection (BA6101 and BA1102) in Hong Kong SAR and Macau SAR to Kexing. In June 2025, we have granted Shaphar the exclusive right to market and distribute Boyouping® through all channels in the Chinese Mainland. We and Shaphar will work together to enhance both the accessibility and the market coverage of the drug. As a leading distributor of pharmaceuticals in China, Shaphar has established a nationwide distribution network covering over 70,000 healthcare institutions across 25 provinces, with a sales & marketing team of nearly 1,000 people. With its strong expertise in integrated sales & marketing across channels as well as its extensive distribution network, we will distribute Boyouping® to hospitals, retail pharmacy chains, and DTP pharmacies throughout China at the fastest speed possible.

For our pipeline products in China, we have granted Joincare the exclusive right to the development, registration, manufacturing, and commercialization of BA2101 for the treatment of asthma, COPD and other respiratory system diseases in Chinese Mainland in January 2024.

In the overseas market, we collaborated with internationally renowned biomedicine enterprises, including Sharphar, Pharmacare, Kexing, NKF, etc., to fully boost Boyounuo®, Boyoubei®, Boluojia® and Boyoujing®'s marketing process and further sales in the U.S., Latin America, Southeast Asia, and other regions, as well as many other emerging markets at the country level, covering over approximately 20 countries/regions around the world. In addition, we have been in ongoing discussions with a number of pharmaceutical companies (including MNCs) or investment institutions for the licensing or co-development of our innovative drug pipelines, and explored international commercialization cooperation with our overseas partners for our products that have been marketed or completed clinical trials in China.

For R&D technology platform, we have also entered into an agreement with the Zencore Biologics Co., Ltd. ("**Zencore Biologics**") in 2024, authorizing Zencore Biologics to use our self-developed stable cell line development platform non-exclusively, BA-HIEXcell® for the development of antibodies and therapeutic proteins in Chinese Mainland. BA-HIEXcell® is a cutting-edge platform in the industry in terms of both the efficiency and the expression levels in cell line development. In March 2026, we and DP Technology have officially entered into a strategic cooperation. The two parties will jointly build an AI for Science (AI4S)-driven innovation model of "Scientific Agent + Drug Intelligent Discovery Platform + Innovative Biopharmaceutical R&D with Novel Mechanisms". Two parties will conduct in-depth collaboration around the development of our antibody drugs, ADCs, and TCE drugs, empowering new drug R&D with AI technology to further enhance development efficiency and innovation quality.

For manufacturing and quality management, we have signed a strategic cooperation agreement with Qingdao Haier Biomedical Co., Ltd. ("**Haier Biomedical**") in 2024. According to the agreement, Haier Biomedical will upgrade the digital system and customize digital scenario solutions for us, including the EMS DataManager data analysis, QC-Sample Manager sample management system, EBR electronic batch record and other business areas, so as to improve the digital level of our manufacturing process and quality management. At the same time, the two parties will give full play to their respective resource advantages and explore the development and innovation direction of digital transformation of the pharmaceutical industry by using cutting-edge technologies such as digital analysis, automation, and AI integration.

Post Results Outlook

Since our listing on The Stock Exchange of Hong Kong Limited, our revenue has maintained sustained growth. As of 31 December 2025, our total revenue reached RMB784.8 million (including product revenue of RMB734.1 million), representing an increase of 8.1% compared with the same period in 2024. In the second half of 2025, we had two new products (Boyouping® and Boyoujing®) approved for launch in China, which will provide a new driving force for our sales growth in 2026.

In August 2025, our fourth product Boyouping® was successfully approved for marketing in China. Boyouping® is the first and only biosimilar to Trulicity® approved for marketing in the world. China has the largest diabetic population among all countries, accounting for 1/4 of the global total. There were 589 million adults aged 20 to 79 living with diabetes worldwide in 2024, and 148 million of them were from China. These numbers are expected to rise to 853 million and 168 million respectively by 2050. Driven by the huge unmet demands, the market looks promising for long-acting GLP-1 drugs. According to data from IQVIA, the market size for GLP-1 drugs in China was RMB8.111 billion in 2025, and according to publicly available data, the sales of Trulicity® were approximately USD4.28 billion worldwide in 2025. This product will bring new treatment options for patients with related diseases, and will also bring new growth to our product sales. We are partnering with Shaphar to commercialize this drug in the Chinese Mainland.

In November 2025, our fifth product Boyoujing® has been approved for wet nAMD and DME in adults in China. Boyoujing® is the second biosimilar to Eylea® approved for marketing in China. Retinal diseases, including nAMD and DME, are serious eye conditions significantly compromising the health of patients and their quality of life. DME is a major complication of diabetes and one of the leading causes for vision loss in diabetic patients, affecting an estimated 5.2% of them. In 2024, approximately 148 million adults aged 20–79 in China were living with diabetes. AMD is another leading cause for visual impairment and blindness in elderly people, affecting 20.2% of individuals over 70 years old in China. Although nAMD accounts for only 10–20% of all AMD cases, it is responsible for approximately 90% of the AMD-related blindness. A huge number of patients have led to the rapid growth of anti-angiogenic ophthalmic therapies in China. According to IQVIA, the size of the market for such therapies increased from RMB1.27 billion in 2018 to RMB5.26 billion in 2025, with a compound annual growth rate (CAGR) of 22.5%. We are partnering with OcuMension to commercialize this drug in the Chinese Mainland.

In terms of internationalization, our denosumab injection has completed the enrollment of all subjects in the international multi-center clinical trial in Europe, the U.S. and Japan. We have submitted the MAA for these two denosumab injections (BA6101 and BA1102) in the UK in November 2025 and plan to submit the BLA for them in the U.S. by the mid of 2026. We have granted NKF the exclusive rights to commercialize these two denosumab drugs in the U.S.. NKF has well-established R&D, quality assurance, regulatory and sales teams in the U.S.. To date, NKF has supplied nearly 100 products across the North American market, establishing itself as one of the suppliers with the most comprehensive injectable product portfolios for sales in the region, which would facilitate rapid market access for our two products.

In terms of innovative drugs, three of them entered into an important part of clinical trials. BA1301 (Claudin18.2 ADC) has completed the monotherapy dose escalation part of phase 1 clinical trial and is undergoing the dose expansion part of phase 1 clinical trial. The phased clinical data will be disclosed in the 2026 ASCO. Our BA1106 (anti-CD25 antibody) has completed the monotherapy part of phase 1 clinical trial and the data has been disclosed at the 2025 AACR. In addition, the combination therapy of BA1106 and anti PD-1 antibody has also been initiated since June 2025, and the phased results are expected to be disclosed at academic conference within 2026. BA1302 (CD228 ADC) is undergoing the monotherapy dose escalation of phase 1 clinical trial and the phased results are also expected to be disclosed at academic conference within 2026. In addition, we have a number of pre-clinical candidates with innovative mechanism expected to file IND in the next 2 years. Among them, BA2201 (TL1A/IL23 antibody), BA1203 (PD-1/IL-2 probody) and BA1304 (EGFR/B7H3 bispecific ADC) will submit IND applications in 2026. We have continuously discussed with a number of pharmaceutical companies (including MNCs) or investment institutions for the licensing or co-development of these innovative drug pipelines. Furthermore, in March 2026, we and DP Technology will jointly build an AI for Science (AI4S)-driven innovation model. We will develop our next generation antibody drugs, ADCs, and TCE drugs with AI technology to further enhance development efficiency and innovation quality, which would provide patients with more breakthrough innovative treatment options. With such a wealth of R&D progress, we expect to pursue further opportunities for global cooperation over the next two years.

In addition to the above developments, since the beginning of this year, the liquidity in Hong Kong's capital market improved significantly, and we raised sufficient capital through two successful placings. As of 31 December 2025, our cash and cash equivalents amounted to RMB1,130.4 million, with an increase of RMB931.5 million compared with the same period in 2024. With sufficient capital we will further increase R&D investment in innovative drugs, accelerate the clinical progress of our innovative drug candidates and conduct forward-looking layout of our future product pipeline, so as to further consolidate our profitability and innovation capabilities.

In terms of manufacturing, we will further improve production efficiency and reduce production costs through initiatives such as intelligent manufacturing and process improvement to support the global supply demand of our products and to mitigate the potential impact of price reductions arising from China's policies.

In summary, we are committed to building an innovative biologic product pipeline that is first-in-class and best-in-class. To achieve this goal, we will continue to attract and introduce outstanding innovative talents and cutting-edge technologies, increase investment in innovative drug R&D, and accelerate R&D efficiency and the translation of research achievements.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group's dedicated commercialization team made use of proactive marketing strategies and efficient executive and sales capabilities, through which the Group continued to establish its foothold in the domestic market thereby laying a solid foundation for the subsequent transformation of the Company. With the commercialization of five products, the Group witnessed a significant increase in revenue during the Reporting Period.

For the year ended 31 December 2025, the Group's revenue amounted to approximately RMB784.8 million, as compared to RMB726.3 million for the year ended 31 December 2024, representing an increase of approximately RMB58.5 million, or 8.1%. The increase was mainly driven by the stable sales of our existing marketed products, coupled with the launch of our new products Boyoujing® and Boyouping®.

Cost of Sales

Cost of sales of the Group primarily represents materials and consumables, labour costs associated with production, utilities and maintenance fees as well as depreciation and amortisation expenses of production equipment, facilities and intangible assets.

Our cost of sales increased from RMB183.7 million for the year ended 31 December 2024 to approximately RMB222.4 million for the year ended 31 December 2025, which accounted for approximately 28.3% of our total revenue for the same year (2024: 25.3%).

Gross Profit

For the year ended 31 December 2025, the Group recorded a gross profit of approximately RMB562.4 million, representing an increase of approximately RMB19.7 million, or 3.6%, as compared with that for the year ended 31 December 2024.

Other Income and Gains

Other income and gains consist of government grants, bank interest income and others. Government grants mainly represent subsidies received from local government authorities to support the Group's R&D activities and operation.

During the Reporting Period, the Group recognised other income and gains of approximately RMB15.5 million (2024: RMB45.1 million).

	2025	2024
	RMB'000	*RMB'000*
Government grants	**7,855**	43,420
Bank interest income	**4,489**	405
Exchange gain	**1,031**	–
Gain on early termination of lease	**349**	–
Others	**1,821**	1,263
Total other income and gains	**15,545**	45,088

Administrative Expenses

Our administrative expenses decreased from RMB46.5 million for the year ended 31 December 2024 to RMB41.2 million for the year ended 31 December 2025. Such decrease was primarily because of the enhancement of scientific and efficient management measures during the Reporting Period.

Selling and Distribution Expenses

For the year ended 31 December 2025, the Group's selling and distribution expenses amounted to RMB340.9 million, as compared to RMB285.8 million for the year ended 31 December 2024, representing an increase of RMB55.1 million, or 19.3%. The increase in selling expenses during the year ended 31 December 2025 was in line with the revenue growth during the same period.

Research and Development Expenses

The following table sets forth a breakdown of the Group's R&D expenses for the years indicated:

	2025	2024
	RMB'000	*RMB'000*
R&D service fees	**35,046**	36,949
Raw materials and consumables expenses	**23,271**	31,334
Staff costs and share-based payments	**54,439**	54,485
Depreciation and amortisation expenses	**18,911**	15,483
Others	**15,971**	11,023
	147,638	149,274

For the year ended 31 December 2025, the Group's recognised R&D expenses were approximately RMB147.6 million, representing a decrease of approximately RMB1.7 million, as compared to the year ended 31 December 2024. R&D expenditure remained stable compared with the prior year.

Finance Costs

For the year ended 31 December 2025, the Group's finance costs amounted to RMB38.7 million, as compared to RMB32.7 million for the year ended 31 December 2024, representing an increase of approximately RMB6.0 million, or 18.3%. The increase during the year ended 31 December 2025 was mainly due to the increase in short-term borrowings.

Income Tax Expense

For the year ended 31 December 2025, the Group recorded income tax expense of nil.

Profit for the Year

As a result of the above, our profit for the year amounted to RMB7.1 million for the year ended 31 December 2025, as compared to the profit of RMB73.2 million for the year ended 31 December 2024.

Liquidity, Financial and Capital Resources

The Group's primary sources of liquidity consist of cash and cash equivalents, which the Group generates primarily through the sales of products and the proceeds from the placings of new shares. The Company expects that the Group's cash needs in the near future will primarily relate to progressing the development of its drug candidates towards receiving regulatory approval and commencing commercialization, as well as expanding its drug candidate portfolio. In 2025, we actively explored financing channel and managed to maintain our cash position for the Group's sustainable development.

As of 31 December 2025, we had cash and cash equivalents of RMB1,130.4 million, representing an increase of 468.3% compared to RMB198.9 million as at 31 December 2024. As at 31 December 2025, the Group had net current assets of approximately RMB1,148.7 million, as compared to approximately RMB307.6 million as at 31 December 2024. The current ratio of the Group increased to approximately 2.33 as at 31 December 2025 from approximately 1.47 as at 31 December 2024.

As at 31 December 2025, the Group had an aggregate interest-bearing bank and other borrowings of approximately RMB783.3 million, representing an increase of RMB104.4 million, as compared to approximately RMB678.9 million as at 31 December 2024. The balances of the bank loans to the Group as at 31 December 2024 and 2025 were mainly due to a RMB250.0 million loan facility granted to the Group in 2021 (the "**Loan**"), which shall be used to settle the Group's shareholder loans in relation to the installation of machinery and equipment for new production lines of the Group. The Loan is due in 2026 and bears a floating interest rate to be updated per annum (being the latest five-year loan prime rate plus 5 basis points). In 2024, the Group had entered into a loan facility of RMB300.0 million with China Jingu International Trust Co., Ltd., to facilitate the swift development and marketing of various products and to accelerate the Company's commercial success. In 2025, the Group entered into short-term loan facility agreements with Shanghai Innovation Bank, Bank of Rizhao, and China Merchants Bank.

Amongst the loans and borrowings, approximately RMB469.6 million are repayable within one year, and approximately RMB313.6 million are repayable after one year. As at 31 December 2025, the Group's borrowings were primarily denominated in RMB, and the cash and cash equivalents were primarily denominated in RMB and U.S. dollars.

Gearing Ratio

As at 31 December 2025, the gearing ratio of the Group, which is calculated by dividing total borrowings by total equity, decreased to 28.6% from 41.3% as at 31 December 2024. The decrease was primarily due to the placing of new shares in June and August 2025.

Capital Commitments

The Group has leased certain offices, equipment and buildings under operating lease arrangements ranging from one to five years in duration. The Group had capital commitments for the acquisition of property, plant and equipment with amounts of RMB150.9 million as of 31 December 2025 (2024: RMB217.3 million). They are primarily related to expenditures expected to be incurred for the purchase of machinery and renovation of our existing laboratories and buildings.

Capital Expenditure

The Group's capital expenditure during the Reporting Period represented purchases of property, plant and equipment to enhance its R&D capabilities and expand its business operation. For the year ended 31 December 2025, the Group's additions to property, plant and equipment were RMB61.2 million (2024: RMB45.8 million).

Contingent Liabilities

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

Charges on Group Assets

As at 31 December 2025, certain of the Group's property, plant and equipment, and right-of-use assets with an aggregate amount of RMB224.1 million were pledged to secure its bank and other borrowings.

Foreign Exchange and Exchange Rate Risk

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

Share-based Payment

In December 2020, the Board passed a resolution to grant equity interests of the Company to the eligible employees (including Directors) in order to provide incentives and rewards to participants for the business development of the Group. Subsequently, three limited partnerships were established as employee incentive platforms in the PRC.

The Group recognised a share-based payment expense of RMB13.4 million during the Reporting Period (2024: RMB21.5 million).

Hedging Activities

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

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not hold any significant investment with a value greater than 5% of its total assets as at 31 December 2025. The Group does not have plans for material investments or capital assets.

PLACINGS OF NEW SHARES

On 11 June 2025, the Company placed a total of 38,400,000 new shares (representing approximately 6.69% of its total issued shares (as enlarged by the allotment and issue of such placing shares)) at the placing price of HK$10.42 per placing share to no less than six placees. On 14 August 2025, the Company placed a total of 48,000,000 new shares (representing approximately 7.71% of its total issued shares (as enlarged by the allotment and issue of such placing shares)) at the placing price of HK$16.42 per placing share to no less than six placees.

For details of the placings, please refer to the Company's announcements dated 4 June 2025, 11 June 2025, 7 August 2025 and 14 August 2025.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

After 31 December 2025 and up to the date of this announcement, to the best of the Directors' knowledge, there was no event occurred that had affected the Group significantly.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company, or the laws of the PRC, which would oblige the Company to offer new shares of the Company on a pro-rata basis to its existing shareholders.

CLOSURE OF REGISTER OF SHAREHOLDERS

The Company's annual general meeting (the "**AGM**") will be held on Monday, 22 June 2026. For determining the eligibility to attend and vote at the AGM, the register of shareholders of the Company will be closed from Tuesday, 16 June 2026 to Monday, 22 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date for determining the eligibility to attend and vote at the AGM will be Monday, 22 June 2026. In order to be eligible to attend and vote at the AGM, all transfer of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company's H Shares share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 15 June 2026.

DIVIDEND

No dividends have been paid or declared by the Company during the year ended 31 December 2025 (2024: Nil).

CORPORATE GOVERNANCE PRACTICES

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

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

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

Code provision C.2.1 of the CG Code

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

Under the current organisation structure of the Company, Ms. Jiang Hua is the Chairlady of the Board and the Chief Executive Officer. With extensive experience in the pharmaceutical industry, the Board considers that Ms. Jiang Hua should continue to assume the roles of chairman and chief executive officer during the year ended 31 December 2025 as this arrangement will improve the efficiency of our decision-making and execution process given her knowledge of the Group's affairs. The Company has put in place an appropriate check-and-balance mechanism through the Board and its independent non-executive Directors.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

The Company has also adopted its own code of conduct regarding employees' securities transactions on terms meeting the required standard as set out in the Model Code. This ensures compliance by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as disclosed in other part of this announcement, there was no purchase, sale and redemption of any listed securities (including treasury shares) of the Company by the Company or any of its subsidiaries during the Reporting Period. As at 31 December 2025, the Company did not hold any treasury shares.

AUDIT COMMITTEE

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

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

In accordance with the requirements under the Listing Rules applicable to the Reporting Period, the 2025 annual report containing all the information about the Company set out in this announcement including the financial results for the year ended 31 December 2025 will be posted on the Company's website (www.boan-bio.com) and the website of the Stock Exchange (www.hkexnews.hk) in due course.

By order of the Board
Shandong Boan Biotechnology Co., Ltd.
Jiang Hua
Chairlady, Chief Executive Officer and Executive Director

Yantai, The People's Republic of China, 30 March 2026

As at the date of this announcement, the executive directors of the Company are Ms. Jiang Hua, Dr. Dou Changlin and Mr. Wang Shenghan; the non-executive directors of the Company are Mr. Liu Yuanchong, Ms. Li Li and Mr. Li Shixu; and the independent non-executive directors of the Company are Professor Shi Luwen, Mr. Dai Jixiong and Dr. Yu Jialin.