Company Code: 603707 Stock Abbreviation: King-Friend

Nanjing King-friend Biochemical Pharmaceutical Co., Ltd.

2025 Annual Report Summary

Part I Important Notes

1. This annual report summary is derived from the full annual report. In order to fully understand the Company's operating results, financial condition and future development plans, investors should carefully read the full text of the annual report on the website http://www.sse.com.cn.

2. The Board of Directors and the Directors and senior management of the Company warrant that the contents of this annual report are true, accurate and complete, free from any false records, misleading statements or material omissions, and they shall bear individual and joint legal liabilities.

3. All Directors of the Company attended the Board meeting.

4. Gongzheng Tianye Certified Public Accountants (Special General Partnership) has issued a standard unqualified audit report for the Company.

5. Profit distribution plan or capital reserve to share capital conversion plan for the reporting period approved by the Board of Directors:

Based on the total share capital registered on the record date for the implementation of the equity distribution, a cash dividend of RMB 1.00 (tax inclusive) per 10 shares will be distributed to all shareholders. This plan is still subject to review and approval by the 2025 Annual General Meeting of Shareholders.

Whether the parent company had uncovered losses as of the end of the reporting period and the impact thereof on the Company's dividends and other matters:

□ Applicable √ Not applicable

Part II Basic Information about the Company

1. Company Profile

Basic Information on the Company's Shares

Share Type	Stock Exchange	Stock Abbreviation	Stock Code	Former Stock Abbreviation
A shares	Shanghai Stock Exchange	King-Friend	603707	None

Contact Person and Contact Information

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2. Brief Introduction to the Company's Main Business during the Reporting Period

According to the Industrial Classification for National Economic Activities (GB/T 4754-2017) issued by the National Bureau of Statistics and the Guidelines for the Industry Classification of Listed Companies issued by the China Securities Regulatory Commission (CSRC), the Company operates in the pharmaceutical manufacturing industry (C27).

1. Basic Information of the Industry during the Reporting Period

As a strategically important industry vital to the national economy and people's livelihood, pharmaceutical manufacturing is characterized by strong leadership in technological innovation, notable social benefits and significant industrial driving effects. At present, China's pharmaceutical industry is at a critical stage of transformation and upgrading: with the accelerating aging of the population and the in-depth implementation of the Healthy China strategy, market demand for pharmaceuticals continues to be unleashed. Guided by the national innovation-driven development strategy, a combination of policies including the reform of the drug review and approval system and innovation in medical insurance payment methods has significantly enhanced the industry's level of innovation.

At the same time, however, China's pharmaceutical manufacturing industry is facing escalating competitive pressure on multiple fronts. At the policy level, the normalization of volume-based procurement and reforms to medical insurance negotiation and payment continue to squeeze industry profit margins. At the market level, the market share of leading companies is rising rapidly, and homogenized competition in innovative drugs is intensifying. At the cost level, fluctuations in API prices, higher environmental protection standards and fierce competition for talent are driving up operating costs. At the technology level, the pace of new technology iteration is accelerating, and the threshold for R&D investment continues to rise. Against this backdrop, the industry is polarizing: companies with sustained innovation capability, cost control advantages and an international footprint are gaining a head start, while traditional generic drug companies are experiencing the pains of transformation. On the one hand, the industry is expected to consolidate at a faster pace in the future, with market concentration rising further; on the other hand, seeking overseas cooperation opportunities has become a strategic choice for Chinese pharmaceutical companies to break through development bottlenecks.

In terms of scale, China's pharmaceutical manufacturing industry has become the world's second-largest market, but a certain gap remains between its innovation capability and industrial competitiveness and advanced international levels. China still relies on imports for core links such as high-end pharmaceutical equipment, key raw and auxiliary materials and bioreactors. Meanwhile, in terms of the quality standard system, although domestic GMP standards have been aligned with international standards, there is still room for improvement in the depth of implementation of the Quality by Design (QbD) concept and the precision of process control. In recent years, Chinese companies have continued to push their own boundaries, showing a strong catch-up momentum. A growing number of companies have joined the ranks of internationalization through cooperation, and Chinese pharmaceutical companies have formed a complementary overseas matrix, occupying a more important position in the global pharmaceutical value chain and driving the overall upgrading of China's pharmaceutical industry.

For export-oriented pharmaceutical companies, changes in U.S. policy also pose risks. Differentiated high tariff barriers and non-tariff restrictions in U.S. trade policy toward Chinese pharmaceuticals will have a multi-dimensional impact on the industry. In the short term, companies producing low-value-added medical consumables and finished formulations for direct export will bear the brunt, with profit margins significantly squeezed, while bulk API companies, although temporarily exempted from tariffs, will face long-term supply chain 'de-risking' pressure. This situation will accelerate the restructuring of the industry landscape, forcing companies to shift from 'cost-driven' to 'innovation-driven' models, accelerate their transformation toward high-value-added fields such as innovative drugs and biologics, and encourage companies to increase R&D investment and deepen diversified international cooperation models such as License-out, so as to circumvent trade barriers and achieve global development.

2. Basic Information of the Global Pharmaceutical Industry

In 2025, the global pharmaceutical industry continued to grow steadily, with the market size exceeding USD 1.7 trillion. Driven by accelerating population aging, the growing burden of chronic diseases and the emergence of innovative therapies, the industry maintained an annual growth rate of 6%-7%. According to the latest IQVIA data, the compound annual growth rate of global pharmaceutical spending from 2025 to 2029 will remain at 5%-8%, and is expected to reach USD 2.4 trillion by 2029. The core drivers are the emergence of innovative therapies and

expanded access to medicines, but the growth model has shifted. Unlike in the past, when growth depended on new drug launches, current and future market growth will be driven more by 'older products' that have been on the market for some time, reflecting improved availability of drugs with high clinical value. At the same time, regional growth is diverging, with emerging pharmaceutical markets growing more strongly, while growth in developed markets is slowing due to patent expirations and cost savings from generic and biosimilar drugs.

3. Market Overview of the Segments in Which the Company's Products Are Involved

(1) Heparin Preparations

The Company's main products include standard heparin preparations and low molecular weight heparin (LMWH) preparations. LMWH preparations include Enoxaparin Sodium Injection, Dalteparin Sodium Injection and Nadroparin Calcium Injection.

As the incidence of chronic diseases such as cardiovascular disease rises, the scope of application of heparin preparations has gradually expanded. Based on statistics from Frost & Sullivan, the global heparin market (including heparin preparations and LMWH preparations) was approximately USD 6.97 billion in 2025, of which LMWH preparations accounted for more than 90% of the market share. Compared with standard heparin preparations, LMWH preparations generally offer higher safety and broader applications in clinical use. Clinical studies have confirmed that, due to their smaller molecular weight, LMWH products are less susceptible to neutralization by Factor IV and have stronger anticoagulant and fibrinolytic effects, giving them broader medical uses and making them the drug of choice for treating conditions such as acute venous thrombosis and acute coronary syndrome (angina pectoris, myocardial infarction, etc.).

LMWH preparations are already widely and maturely used in developed countries in the United States and Europe. In addition to their traditional use in anticoagulation and antithrombosis, they can also be used for the prevention and treatment of deep vein thrombosis, prevention of postoperative venous thrombosis, hemodialysis and adjuvant antitumor therapy, among others. As medical research on LMWH preparations continues to deepen, their applications have been continuously expanding. In terms of regional distribution, Europe and the United States remain the largest regional markets with relatively high biosimilar penetration, while the Chinese market leads the world in growth rate, although a gap remains with mature markets in Europe and the United States in clinical applications such as postoperative prophylaxis.

As global aging deepens, the proportion of the population aged over 65 continues to rise, the incidence of cardiovascular disease increases by about 3-5% annually, and penetration in emerging markets keeps improving, the heparin preparation industry continues to develop. At the same time, however, it faces the dual pressure of substitution by new oral anticoagulants and fluctuations in API prices. According to industry forecasts, over the next five years, driven by the expansion of indications in oncology and nephrology, the development of long-acting preparations and the expansion of emerging markets, the industry will maintain a compound growth rate of 6%-7%, with the market size expected to exceed USD 9 billion in 2030.

(2) Non-Heparin Sterile Injectables

The Company's main sterile injectable products include Adalimumab Injection, Paclitaxel Injection, Liraglutide Injection, Daptomycin for Injection, Pantoprazole Sodium for Injection, Regadenoson Injection, Leucovorin Calcium for Injection, Bivalirudin for Injection, Micafungin for Injection, Doxercalciferol Injection, Fondaparinux Sodium Injection and Cisatracurium Besylate Injection, among others.

In 2025, the global high-end sterile injectables market maintained steady growth, with the market size continuing to expand, driven mainly by the rapid development of the biopharmaceutical sector and rising demand for oncology and chronic disease treatment. In terms of the regional market landscape, the global high-end sterile injectables industry shows a clear pattern of differentiated development. With its mature healthcare system and strong innovative drug R&D capabilities, the North American market continues to lead in scale, dominating high-end therapeutic areas such as oncology and autoimmune diseases. Benefiting from healthcare insurance policy reform, faster approval of innovative drugs and the rise of domestic biopharmaceutical companies, the Chinese

market leads global growth with a double-digit annual growth rate. By drug category, antitumor drugs are shifting from traditional chemotherapeutics to novel antitumor drugs, which mainly include targeted therapies and immunotherapies. Despite challenges such as raw material cost pressure and increasingly stringent regulatory requirements, the broad launch of biosimilars and the rapid development of emerging fields such as cell therapy have created new growth space for the industry.

(3) Market Overview of the CDMO Industry

CDMO mainly provides process development and preparation, process optimization, registration and validation/approval production, and customized R&D and manufacturing services for the products of pharmaceutical companies and biotechnology companies, especially innovative products. By drug type, the CDMO segment is mainly divided into three categories: small-molecule CDMO, large-molecule CDMO (including peptides/antibodies/proteins/vaccines, etc.) and cell and gene therapy (CGT) CDMO. According to a Frost & Sullivan report, the global pharmaceutical CDMO industry remains highly buoyant, with the market size of the global pharmaceutical CDMO industry expected to reach USD 168.4 billion and USD 338.5 billion in 2028 and 2033, respectively. The market size of China's pharmaceutical CDMO industry is expected to reach RMB 208.4 million in 2028 and RMB 536.9 million in 2033. As China's pharmaceutical CDMO industry shows a growth rate higher than the global level, the Chinese CDMO market is becoming a key force in the global pharmaceutical supply chain. As patents on a large number of global originator drugs are about to expire, demand for biosimilar R&D will increase accordingly, which has also become one of the important drivers of biopharmaceutical CDMO orders and corporate performance growth.

4. Industry Policies

The pharmaceutical industry is an important industry vital to the national economy, people's livelihood and economic development. As China's economy continues to grow, people's living standards keep improving, the population aging problem becomes increasingly prominent, demand for healthcare continues to grow, and reform of the healthcare system keeps deepening, policies on pharmaceutical R&D and medical insurance are facing major adjustments, and centralized drug procurement has become normalized and institutionalized.

In January 2025, in order to comprehensively deepen the reform of drug and medical device regulation and promote high-quality development of the pharmaceutical industry, the General Office of the State Council issued the Opinions on Comprehensively Deepening the Reform of Drug and Medical Device Regulation and Promoting High-Quality Development of the Pharmaceutical Industry. The Opinions call for increasing support for R&D and innovation in drugs and medical devices, improving the quality and efficiency of drug and medical device review and approval, enhancing industry compliance through efficient and strict regulation, and supporting the pharmaceutical industry in expanding opening-up and cooperation, among other measures.

In July 2025, the National Healthcare Security Administration and the National Health Commission issued Several Measures to Support the High-Quality Development of Innovative Drugs, which proposes supporting the use of medical insurance data for innovative drug R&D. It calls for strengthening information connectivity and coordination among the medical, healthcare insurance and pharmaceutical sectors, managing healthcare insurance data resources well, and promoting the utilization of public data resources in the healthcare insurance field. On the basis of ensuring data security and legal compliance, it explores providing necessary healthcare insurance data services for innovative drug R&D. Relying on the national unified healthcare insurance information platform, it collects and analyzes data such as disease spectrum and clinical medication demand, develops data products that meet the needs of innovative drug R&D, and supports pharmaceutical companies, research institutes and medical institutions in rationally determining R&D directions and arranging R&D pipelines to improve innovation efficiency.

The Company is a pharmaceutical enterprise integrating drug R&D, production and sales. It actively positions itself in the fields of chemical drugs and biologics, and has established a rich product pipeline covering cardiovascular, neurological, anesthetic, antitumor and surgical adjuvant products as well as other high-value-added sterile injectables, making it a supplier of multi-variety injectables in the global market.

The Company possesses complete whole-industry-chain capabilities from drug R&D and large-scale production to commercialization, and can provide partners with CDMO services across multiple business types including formulation research, manufacturing and marketing, helping more companies enter international regulated markets and contributing to the structural upgrading of China's pharmaceutical capabilities.

(I) Main Businesses of the Company during the Reporting Period

1. Sterile Injectable Business

Committed to the vision of 'building a world-class biopharmaceutical enterprise' and under the strategic framework of 'rooted in China and the United States, with a global outlook', the Company takes injectables as its core dosage form and continues to advance its business development. Through continuous exploration of the global formulation business, the Company has broadly positioned itself in the injectables sector and built a rich product pipeline, mainly including LMWH preparations, antitumor preparations and other high-value-added sterile injectables. As of the end of the reporting period, the Company and its subsidiaries held more than 100 overseas drug registration approvals and more than 30 Chinese drug registration approvals. The injectable products that the Company has launched and for which it holds ownership of the approvals during the reporting period are shown in the table below:

No.	Drug Name	Indication	Approved Country/Region
1	Heparin Sodium Injection	Anticoagulation, antithrombosis	United States
2	Enoxaparin Sodium Injection	Prevention of venous thromboembolic disease	United States, United Kingdom, Germany, Sweden, Brazil, Spain, Canada, Ecuador, New Zealand, Malaysia
3	Dalteparin Sodium Injection	Treatment of acute deep vein thrombosis; prevention of coagulation in the extracorporeal circulation system during hemodialysis and hemofiltration in patients with acute renal failure or chronic renal insufficiency; treatment of unstable coronary artery disease such as unstable angina and non-Q-wave myocardial infarction; prevention of surgery-related thrombosis	China
4	Nadroparin Calcium Injection	Prevention of thrombosis, prevention and treatment of deep vein thromboembolism, prevention and treatment of intravascular hemolysis, reduction of platelet aggregation, prevention and treatment of myocardial infarction and cerebral thrombosis, etc.	China
5	Atracurium Besylate Injection	Indicated for skeletal muscle relaxation during general anesthesia in various surgical procedures, and for the muscle relaxation required for endotracheal intubation	United States
6	Cisatracurium Besylate Injection	Muscle relaxant	United States, China
7	Levoleucovorin Calcium Injection	In combination with fluorouracil chemotherapy for palliative treatment of advanced	United States, China

No.	Drug Name	Indication	Approved Country/Region
		metastatic colorectal cancer	
8	Doxercalciferol Injection	Treatment of secondary hyperparathyroidism in dialysis patients with chronic kidney disease	United States
9	Milrinone Injection	For short-term intravenous therapy in patients with acute decompensated heart failure	United States, China
10	Bleomycin Injection	For skin cancer and tumors of the head and neck	United States
11	Carboplatin Injection	Indicated for the treatment of advanced epithelial ovarian cancer	United States
12	Cytarabine Injection	For the treatment of leukemia and lymphoma	United States
13	Topotecan Hydrochloride Injection	For small cell lung cancer	United States
14	Phenylephrine Hydrochloride Injection	For the prevention and treatment of hypotension induced by spinal anesthesia, general anesthesia or the administration of chlorpromazine	United States
15	Bortezomib for Injection	Multiple myeloma, mantle cell lymphoma	United States, China
16	Bendamustine Hydrochloride for Injection	For the treatment of chronic lymphocytic leukemia and non-Hodgkin's lymphoma	United States, China
17	Mycophenolate Mofetil for Injection	In combination with cyclosporine and corticosteroids for the prevention of acute organ rejection in patients receiving allogeneic renal or hepatic transplants	United States, China
18	Vancomycin Hydrochloride for Injection	Indicated for serious infections caused by methicillin-resistant staphylococci and other bacteria: septicemia, endocarditis, bone infections, lower respiratory tract infections, skin and skin structure infections	United States
19	Ganirelix Acetate Injection	Prevention of premature luteinizing hormone (LH) surge	United States
20	Furosemide Injection	Edematous disorders, including congestive heart failure, cirrhosis and renal disease	United States
21	Glycopyrrolate Injection	Prevention of the peripheral muscarinic effects (such as bradycardia) of anticholinesterase agents such as neostigmine	United States
22	Neostigmine Methylsulfate Injection	For the reversal of the effects of non-depolarizing neuromuscular blocking agents after surgery	United States

No.	Drug Name	Indication	Approved Country/Region
23	Succinylcholine Chloride Injection	Maintenance of muscle relaxation during endotracheal intubation and surgical procedures under general anesthesia	United States
24	Regadenoson Injection	Used as a stress agent in radionuclide myocardial perfusion imaging (MPI)	United States, China
25	Isosulfan Blue Injection	For visualization of lymphatic vessels at the injection site	United States
26	Bivalirudin for Injection	For acute ischemic complications of percutaneous transluminal coronary angioplasty (PTCA)	United States
27	Daptomycin for Injection	Anti-infection	United States
28	Decitabine for Injection	An antineoplastic chemotherapeutic agent	United States
29	Voriconazole for Injection	Antifungal agent	United States, China
30	Carmustine for Injection	For brain tumors including glioblastoma, brainstem glioma, medulloblastoma, astrocytoma, ependymoma and metastatic brain tumors	United States
31	Tigecycline for Injection	For complicated intra-abdominal infections, complicated skin and soft tissue infections, and community-acquired pneumonia	United States, China
32	Melphalan Hydrochloride for Injection	For palliative treatment of patients with multiple myeloma who are not candidates for oral therapy	United States
33	Dactinomycin for Injection	For the treatment of testicular cancer; also effective in controlling fever symptoms caused by neuroblastoma	United States
34	Clofarabine Injection	For the treatment of relapsed or refractory lymphoblastic leukemia in patients aged 1 to 21 years after at least two prior regimens	United States
35	Haloperidol Decanoate Injection	For the treatment of schizophrenic patients requiring long-term parenteral antipsychotic therapy	United States
36	Micafungin for Injection	Treatment of candidemia, acute disseminated candidiasis, Candida peritonitis and abscesses, esophageal candidiasis, etc.	United States
37	Busulfan Injection	In combination with cyclophosphamide as a conditioning regimen prior to allogeneic hematopoietic progenitor cell transplantation for chronic myelogenous leukemia	United States, China

No.	Drug Name	Indication	Approved Country/Region
38	Azacitidine for Injection	Mainly for higher-risk myelodysplastic syndromes in adults; also for the treatment of chronic myelomonocytic leukemia and acute myeloid leukemia	United States, China
39	Gemcitabine Hydrochloride Injection	In combination with carboplatin for ovarian cancer; with paclitaxel for breast cancer; with cisplatin for non-small cell lung cancer; as monotherapy for pancreatic cancer	United States, China
40	Pantoprazole Sodium for Injection	Gastroesophageal reflux disease and pathological hypersecretory conditions including Zollinger-Ellison (ZE) syndrome	United States
41	Mitomycin for Injection	For gastric cancer, lung cancer, breast cancer, liver cancer, pancreatic cancer, colorectal cancer, esophageal cancer, ovarian cancer, malignant intracavitary effusions and bladder tumors	United States
42	Dexmedetomidine Hydrochloride Injection	For sedation of surgical patients undergoing endotracheal intubation and mechanical ventilation under general anesthesia; for sedation of patients requiring intubation and mechanical ventilation during intensive care	United States
43	Nelarabine Injection	For the treatment of T-cell acute lymphoblastic leukemia (T-ALL) and T-cell lymphoblastic lymphoma (T-LBL) that have not responded to or have relapsed after at least two prior regimens	United States
44	Rocuronium Bromide Injection	As an adjunct to general anesthesia	United States, China
45	Zoledronic Acid Injection	Indicated for the treatment of Paget's disease of bone in men and women	United States
46	Bupivacaine Hydrochloride Injection	For local infiltration anesthesia and peripheral nerve block	United States
47	Leucovorin Calcium for Injection	For rescue after high-dose methotrexate therapy in patients with osteosarcoma; to reduce the toxicity of folic acid antagonist overdose or impaired methotrexate elimination; also for the treatment of megaloblastic anemia caused by folic acid deficiency; in combination with 5-fluorouracil to prolong survival in patients with advanced colorectal cancer receiving palliative therapy	United States
48	Plerixafor Injection	Indicated for the mobilization	United States

No.	Drug Name	Indication	Approved Country/Region
		of hematopoietic stem cells (HSCs) into peripheral blood in patients with non-Hodgkin's lymphoma or multiple myeloma to facilitate HSC collection and autologous transplantation	
49	Eptifibatide Injection	For the treatment of patients with acute coronary syndrome (unstable angina / non-ST-segment elevation myocardial infarction)	China, United States
50	Fondaparinux Sodium Injection	Prevention of venous thromboembolic disease, etc.	China
51	Docetaxel Injection	Breast cancer, non-small cell lung cancer, prostate cancer and gastric cancer	United States
52	Fluorouracil Injection	Treatment of breast cancer, ovarian cancer, lung cancer, cervical cancer, bladder cancer and skin cancer, etc.	China
53	Pemetrexed Disodium for Injection	For the treatment of non-squamous non-small cell lung cancer and malignant pleural mesothelioma	United States
54	Palonosetron Hydrochloride Injection	Indicated for the prevention of acute nausea and vomiting associated with moderately and highly emetogenic chemotherapy	United States, China
55	Oxaliplatin Injection	For adjuvant treatment of patients with Stage III colon cancer who have undergone complete resection of the primary tumor, and for the treatment of advanced colorectal cancer	United States
56	Thiotepa for Injection	For the treatment of adenocarcinoma of the breast or ovary, control of malignant pleural effusions, and treatment of superficial papillary carcinoma of the bladder	United States
57	Dacarbazine for Injection	For the treatment of metastatic malignant melanoma and Hodgkin's disease	United States
58	Fulvestrant Injection	For the treatment of postmenopausal women (including natural and artificial menopause) with estrogen receptor-positive locally advanced or metastatic breast cancer that has relapsed during or after adjuvant antiestrogen therapy, or has progressed on antiestrogen therapy	China
59	Adalimumab Injection	Plaque psoriasis, psoriatic arthritis, rheumatoid arthritis, juvenile idiopathic arthritis,	United States

No.	Drug Name	Indication	Approved Country/Region
		ankylosing spondylitis, Crohn's disease and ulcerative colitis	
60	Doxycycline Hyclate for Injection	Indicated for infections caused by a variety of microorganisms, including many Gram-negative and Gram-positive bacteria	United States
61	Ropivacaine Hydrochloride Injection	For surgical anesthesia and acute pain management	United States
62	Methylene Blue Injection	Indicated for the treatment of acquired methemoglobinemia in pediatric and adult patients	United States
63	Vitamin B12 Injection	Indicated for vitamin B12 deficiency caused by malabsorption	United States
64	Liraglutide Injection	As an adjunct to diet and exercise to improve glycemic control in adults and pediatric patients aged 10 years and older with type 2 diabetes mellitus; to reduce the risk of major adverse cardiovascular events in adults with type 2 diabetes mellitus and cardiovascular disease	United States
65	Norepinephrine Bitartrate Injection	For the treatment of severe acute hypotension in adults	United States
66	Adenosine Injection	In patients unable to exercise adequately, Adenosine Injection may be used as an adjunct to thallium-201 myocardial perfusion imaging	United States
67	Leuprolide Acetate Injection	A gonadotropin-releasing hormone (GnRH) analogue mainly used to regulate sex hormone levels in the treatment of prostate cancer, endometriosis and central precocious puberty. It achieves its therapeutic effect by inhibiting pituitary secretion of gonadotropins and lowering estrogen or testosterone levels	United States
68	Alprostadil Injection	A prostaglandin-class drug mainly used to improve microcirculation, dilate blood vessels and inhibit platelet aggregation	United States
69	Octreotide Acetate Injection	A synthetic somatostatin analogue mainly used for the treatment of acromegaly, gastroenteropancreatic endocrine tumors (such as carcinoid tumors and vasoactive intestinal peptide tumors), acute pancreatitis, and as an adjunct in the treatment of esophageal-gastric variceal bleeding	United States
70	Dalbavancin for Injection	Acute bacterial skin and skin structure infections in adult and	United States

No.	Drug Name	Indication	Approved Country/Region
		pediatric patients	
71	Etoposide Injection	This product should be used in combination with other approved chemotherapeutic agents; indicated for refractory testicular tumors following standard therapy (including surgery, chemotherapy or radiotherapy) and as first-line treatment in patients with small cell lung cancer	United States
72	Mitoxantrone Injection	For the treatment of multiple sclerosis, advanced hormone-refractory prostate cancer and acute nonlymphocytic leukemia	United States
73	Idarubicin Hydrochloride Injection	In combination with other antileukemic agents for the treatment of acute myeloid leukemia (AML) in adults	United States
74	Daunorubicin Hydrochloride Injection	In combination with other anticancer agents for the treatment of acute nonlymphocytic leukemia in adults (including granulocytic leukemia, monocytic leukemia and erythroleukemia), and for the treatment of acute lymphocytic leukemia in children and adults	United States
75	Nicardipine Hydrochloride Injection	For short-term treatment of hypertension when oral therapy is not feasible	United States

Beyond the Chinese and U.S. markets, the Company continues to expand its business in the European market and other markets around the world, making full use of its production and quality advantages to build economies of scale and expand its market reach. In particular, as Enoxaparin Sodium preparations complete registration in an increasing number of countries, the Company's understanding of regulations in the global injectables market continues to strengthen, expanding its influence in the global heparin preparation market.

2. Heparin API Business

As a biologically extracted macromolecular mixture, heparin API has always been a focus of attention in regulated markets in terms of quality standards and processes. As the API for widely used standard heparin and LMWH preparations, it holds an extremely important position in the industry chain. As an important member of the global heparin industry chain, working with downstream customers to ensure a stable and high-quality supply of heparin preparations worldwide has always been our corporate vision.

As an influential global supplier of heparin API, the Company has established long-term stable supply relationships with major heparin preparation manufacturers worldwide on the strength of its outstanding product quality. As a cash-generating business, the heparin API business is the foundation for advancing the Company's domestic and international sterile injectable business.

3. CDMO Business

China's pharmaceutical industry has developed rapidly over the past 10 years. In particular, more manufacturers have invested in R&D and registration for biomacromolecules and gene-based products, creating a fiercely

competitive landscape. Chinese manufacturers have also gradually recognized that moving into the broader global market is the inevitable path for the optimization and upgrading of China's industrial structure.

As a leading enterprise in the R&D, production and marketing of sterile injectables in China, the Company, while accelerating the launch of its own products, also bears the mission of contributing to the collective breakthrough of Chinese companies. With surplus production capacity and research resources at present, it provides professional services to customers in global filing, manufacturing and research.

As more sterile injectables gain recognition in regulated markets, the Company's reputation in global markets including China and the United States has been greatly enhanced. Leveraging its experience in operating under global regulations, the Company is expected to provide differentiated whole-industry-chain CDMO services for biologics in regulated markets and obtain higher-value service returns. CDMO is the best model for our coordinated development with industry peers, and we have always taken 'helping more peers achieve breakthroughs in the global market and building a brand for China's pharmaceutical industry' as our corporate mission.

4. Biologics Innovation Business

In order to adapt to the transformation of the domestic pharmaceutical industry from generic to innovative models and to enhance the Company's independent innovation capability, the Company established a Biomedical Business Division on the basis of its existing API and sterile formulation products. The Division comprises a protein design platform, a drug delivery system platform, a molecular biology platform and a cell biology platform, and is committed to becoming an innovative, international and world-class biopharmaceutical enterprise.

Through in-depth cooperation with leading global R&D teams in clinical research, the Company has successfully established a quality research and clinical evaluation platform for recombinant protein drugs, improving the efficiency of product approval and industrial transformation, enhancing its capabilities in biological quality research and process development and translation, and further expanding its capacity for innovation and industrialization of macromolecular biologics.

(II) Introduction to the Company's Business Model

1. Procurement Model

The Company determines its procurement plan based on comprehensive factors such as actual production needs and the supply situation in the raw material market, and has established a strict supplier management system with rigorous requirements in terms of staffing, quality management level, raw material management and production processes. In the procurement of major raw materials, the Company was the first in China to apply the centralized elution model. While increasing turnover and making full use of its advantages in centralized, high-quality and efficient production, it also builds business partnerships with upstream enterprises, actively manages and promotes the maintenance and improvement of quality across the entire industry chain, forms sound and stable business cooperation, and better responds to market competition. Overseas, it has adopted a global API sourcing procurement model and established a diversified supplier system, and has now established stable cooperative relationships with a number of suppliers worldwide. The process flow of centralized elution is shown in Figure 1.

Figure 1: Process Flow Diagram of Centralized Elution

2. Production Model

The Company mainly adopts a make-to-order production model, determining output in light of inventory and overall market conditions. The Company's sales department formulates sales plans based on analysis of customer orders, and the production department prepares production plans accordingly, making preparations in terms of personnel, equipment and raw and auxiliary materials and adjusting promptly in response to market changes.

The Company's sterile injectable production lines were established from the outset on the concept of 'possessing first-class production equipment and internationally standardized production workshops'. At present, all of the Company's production lines have passed U.S. FDA certification, and the Company's product production

workshops have passed national GMP certification. During production, the Company strictly complies with GMP and CGMP standards to ensure drug quality and the safety and efficacy of drugs. At the same time, by controlling the reasonable usage of raw and auxiliary materials, the Company can effectively control production costs. By optimizing the matching of products to production lines, it improves production efficiency and expands capacity.

3. Sales Model

(1) Heparin API Business

In terms of the heparin API sales model, the Company has consistently adopted a model of 'direct sales as the main channel, supplemented by distribution'. By continuously improving product quality and tracking the quality standards of mainstream international formulation manufacturers, the Company has established long-term stable cooperative relationships with mainstream international heparin formulation companies, creating effective customer loyalty. By selecting capable international distributors, the Company covers other customers beyond mainstream heparin formulation manufacturers to the greatest extent possible.

(2) Domestic Formulation Sales Business

As centralized drug procurement in China becomes normalized, the Company's domestic formulations are sold through centralized drug tendering and procurement organizations. The 'dual filing in China and the U.S.' channel continuously enriches the Company's injectable product pipeline. At present, all newly developed products of the Company are approved under Category 4 of the new chemical drug registration classification and are deemed to have passed consistency evaluation, giving them priority access to market entry at the provincial level. Winning bids in centralized procurement further expands sales of the relevant products and accelerates the speed at which new products are brought to market, which will help the Company continuously enhance its brand influence and domestic market share.

(3) North American Formulation Sales Business

The North American pharmaceutical market is one of the markets with the highest quality access standards in the world, and also a competitive market where profit levels are relatively well maintained globally. Customers in the North American pharmaceutical sales market mainly include large pharmaceutical distribution entities such as group purchasing organizations (GPOs), chain pharmacies and drug distributors.

By building capable local sales teams, staying close to end customers and applying North American pharmaceutical sales thinking, the Company has entered and developed the North American formulation market and established its own brand there. Over the years, through multiple models including independent R&D, acquisition of approvals and external cooperation, it has built a product pipeline of nearly 100 products, comprehensively covering mainstream small-molecule injectable varieties in North America. In areas such as cardiovascular, anti-infection, assisted reproduction and antitumor, it has become an important supplier in the North American market. Through years of cooperation with pharmaceutical group purchasing organizations, distributors and pharmacy systems, the Company has won broad recognition from all parties on the strength of its outstanding product quality and reliable supply guarantees. As the Company's business continues to expand in the North American market and its market share grows, its brand has established a certain market position and influence in North America, becoming one of the suppliers that cannot be ignored in the North American generic injectables market.

(4) Formulation Sales Business in Other Regions Worldwide

In markets outside China and the United States, including Europe and South America, the Company currently mainly enters the market and competes by cooperating with local agents or pharmaceutical companies. When selecting partners, the Company screens candidates locally, choosing pharmaceutical agents with a certain local influence to quickly enter and serve the market over the long term.

(5) Global CDMO Sales Business

The Company's CDMO business is positioned in the R&D and production of sterile injectables, providing customers with one-stop industrial services on the formulation side. The Company's CDMO customers mainly come from the industrialization needs of well-known global pharmaceutical companies, the globalization needs of leading domestic pharmaceutical companies, and the R&D needs of domestic innovative companies seeking to serve the global market. Through cooperation with pharmaceutical sales and manufacturing companies, the Company enriches its product mix, rapidly boosts market demand, increases capacity utilization, effectively reduces product costs and better competes in the market.

(III) Drivers of the Company's Performance during the Reporting Period

In 2025, committed to the vision of 'building a world-class biopharmaceutical enterprise' and under the strategic framework of 'rooted in China and the United States, with a global outlook', the Company took injectables as its core dosage form and continued to advance its business development. During the reporting period, the Company's operating revenue rose slightly by 1.71% over the same period of the previous year, while net profit attributable to shareholders of the listed company decreased by 29.61% over the same period of the previous year. Revenue from the formulation business accounted for 88.10% of total revenue, revenue from the API business accounted for 10.04%, and revenue from other businesses accounted for 1.86%. The sales volume of the Company's formulation business continued to trend upward, and its share of operating revenue increased further.

1. The Company has firmly advanced its transformation, achieving a bumper harvest in approvals for both Chinese and U.S. formulations. As the Company resolutely shifts toward high-end formulations, the share of its heparin API business in total revenue fell from more than 60% in 2019 to 10% in 2025, reflecting the Company's successful transformation from a traditional API supplier to an international sterile injectable enterprise. During the reporting period, the Company obtained multiple drug registration approvals, including Liraglutide Injection, Etoposide Injection, Propofol Injectable Emulsion and Octreotide Acetate Injection. As its R&D pipeline has been enriched, the Company's commercialized varieties have continued to increase, and the number of ANDA approvals it holds ranks first among comparable domestic companies. Its injectable products are mainly concentrated in areas such as anticoagulation, antitumor and cardiovascular disease, and also cover surgical anesthesia, antibacterial infection and imaging. As the Company continues to promote the marketing of its various drugs, it has further expanded the international formulation market and shown a thriving momentum of rapid multi-variety development in the formulation field.

2. During the reporting period, the Company continued to actively expand its overseas markets. Leveraging Meitheal's advantages in GPOs and distribution channels, it continuously strengthened customer loyalty and broke through the competitive landscape. With a clear market position in the sterile injectables field and its product quality and marketing capabilities, it continued to consolidate its competitive barriers and ensure steady growth in overseas formulation sales revenue.

In addition, the Company's basic heparin formulation products are also continually penetrating the domestic market. All of the Company's domestic formulations are approved under Category 4 of the new chemical drug registration classification and are deemed to have passed consistency evaluation, giving them priority access to provincial-level market entry. As centralized drug procurement in China becomes normalized, priority access helps the Company sell through centralized drug tendering and procurement organizations; beyond centralized procurement, the Company will continue to improve its domestic sales and operating channels and expand its market, driving rapid growth in domestic formulation sales volume.

The steady growth of the Company's formulation business once again demonstrates that the Company has achieved important breakthroughs in formulation R&D, quality, sales and brand influence. In the future, the Company will continue to promote strategic adjustment of its business focus, further strengthen its market advantages, advance the global layout of sterile injectables, accelerate the strategic layout of innovative drugs and actively build diversified commercialization capabilities.

3. Driven by its advanced process R&D capabilities and compliant manufacturing capabilities, the Company's CDMO business has continued to make breakthroughs. The Company possesses leading R&D and production capabilities that meet regulatory and market compliance requirements, and through CDMO services it helps global customers accelerate their pipeline R&D processes. During the reporting period, through comprehensive strategic cooperation with customers in its CDMO business, the Company's global R&D, filing, and high-quality production and manufacturing systems were further improved.

CDMO has always been the best model for our coordinated development with industry peers, and we have always taken 'helping more peers achieve breakthroughs in the global market and building a brand for China's pharmaceutical industry' as our corporate mission. In the future, the Company will continue to seek the establishment of and cooperation in clinical management and distribution channels in North America. While continuously improving its product pipeline, it will build complete commercial competitiveness, laying the foundation for the Company to become a pharmaceutical enterprise combining small-molecule chemical drugs and macromolecular biologics in the North American market in the future and establishing all-round commercial competitiveness.

3. Major Accounting Data and Financial Indicators of the Company

3.1 Major Accounting Data and Financial Indicators for the Past Three Years

Unit: RMB Yuan Currency: RMB

Item	2025	2024	Increase/Decrease over the Prior Year (%)	2023
Total assets	10,342,534,723.50	9,509,950,363.94	8.75	9,524,263,988.46
Net assets attributable to shareholders of the listed company	6,902,863,165.53	6,491,670,118.25	6.33	5,801,966,942.85
Operating revenue	3,990,678,037.30	3,923,585,843.53	1.71	3,931,387,279.72
Total profit	699,416,366.86	992,033,745.06	-29.50	-294,758,508.96
Net profit attributable to shareholders of the listed company	581,536,153.84	826,144,870.17	-29.61	-189,445,790.76
Net profit attributable to shareholders of the listed company excluding non-recurring gains and losses	502,720,059.96	782,148,636.54	-35.73	-167,843,390.34
Net cash flows from operating activities	1,182,791,067.72	1,501,228,217.52	-21.21	1,619,167,843.71
Weighted average return on equity (%)	8.68	13.47	Decrease of 4.79 percentage points	-3.17
Basic earnings per share (RMB/share)	0.36	0.51	-29.41	-0.12
Diluted earnings per share (RMB/share)	0.37	0.50	-26.00	-0.12

3.2 Major Accounting Data by Quarter during the Reporting Period

Unit: RMB Yuan Currency: RMB

Item	First Quarter (Jan-Mar)	Second Quarter (Apr-Jun)	Third Quarter (Jul-Sep)	Fourth Quarter (Oct-Dec)
Operating revenue	885,219,018.08	1,094,626,449.40	945,898,414.00	1,064,934,155.82
Net profit attributable to shareholders of the listed company	84,713,913.06	201,553,639.24	143,199,605.86	152,068,995.68

Item	First Quarter (Jan-Mar)	Second Quarter (Apr-Jun)	Third Quarter (Jul-Sep)	Fourth Quarter (Oct-Dec)
Net profit attributable to shareholders of the listed company excluding non-recurring gains and losses	75,321,188.86	184,736,975.50	123,973,705.84	118,688,189.76
Net cash flows from operating activities	164,221,944.29	246,191,467.18	489,911,243.58	282,466,412.67

Explanation of differences between quarterly data and the data in previously disclosed periodic reports

□ Applicable √ Not applicable

4. Shareholders

4.1 Total Number of Ordinary Shareholders, Total Number of Preferred Shareholders with Restored Voting Rights, Total Number of Shareholders Holding Shares with Special Voting Rights as of the End of the Reporting Period and as of the End of the Month Preceding the Disclosure of the Annual Report, and Information on the Top Ten Shareholders

Unit: shares

Item	Number
Total number of ordinary shareholders as of the end of the reporting period (households)	38,096
Total number of ordinary shareholders as of the end of the month preceding the disclosure date of the annual report (households)	35,693
Total number of preferred shareholders with restored voting rights as of the end of the reporting period (households)	0
Total number of preferred shareholders with restored voting rights as of the end of the month preceding the disclosure date of the annual report (households)	0

Shareholding of the top ten shareholders (excluding shares lent through securities lending) Unit: shares

Name of Shareholder (Full Name)	Increase/Decrease during the Reporting Period	Shares Held at the End of the Period	Percentage (%)	Number of Shares with Restricted Conditions	Status of Pledging, Marking or Freezing	Quantity	Nature of Shareholder
Xie Juhua	0	439,682,951	27.21	0	None	0	Domestic natural person
Jiangsu Provincial Coastal Development Group Co., Ltd.	0	344,164,989	21.30	0	None	0	State-owned legal person
TANG YONGQUN	0	319,885,249	19.80	0	Pledged	42,841,500	Overseas natural person
Huang Xiwei	0	70,654,217	4.37	0	None	0	Domestic natural person
Hong Kong Securities Clearing Company Limited	-1,674,853	9,302,088	0.58	0	None	0	Others

Name of Shareholder (Full Name)	Increase/Decrease during the Reporting Period	Shares Held at the End of the Period	Percentage (%)	Number of Shares with Restricted Conditions	Status of Pledging, Marking or Freezing	Quantity	Nature of Shareholder
Agricultural Bank of China Limited - CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	435,411	7,158,069	0.44	0	None	0	Others
Ding Ying	0	6,244,377	0.39	0	None	0	Domestic natural person
Xu Dejun	4,715,000	6,115,000	0.38	0	None	0	Domestic natural person
Industrial and Commercial Bank of China Limited - Rongtong Health Industry Flexible Allocation Mixed Securities Investment Fund	4,000,000	4,000,000	0.25	0	None	0	Others
Lu Rongsui	0	3,492,364	0.22	0	None	0	Domestic natural person

Item	Details
Explanation of the related-party relationship or concerted action among the above shareholders	Xie Juhua is the mother of TANG YONGQUN; TANG YONGQUN and Xie Juhua entered into a concert party agreement on March 30, 2011; Ding Ying is the spouse of TANG YONGQUN.
Explanation of preferred shareholders with restored voting rights and the number of shares they hold	Not applicable

4.2 Block Diagram of the Equity and Control Relationship between the Company and Its Controlling Shareholder

√ Applicable □ Not applicable

4.3 Block Diagram of the Equity and Control Relationship between the Company and Its Actual Controller

√ Applicable □ Not applicable

4.4 Total Number of Preferred Shareholders of the Company as of the End of the Reporting Period and Information on the Top Ten Shareholders

□ Applicable √ Not applicable

5. Corporate Bonds

□ Applicable √ Not applicable

Part III Significant Events

1. In accordance with the principle of materiality, the Company shall disclose material changes in its operations during the reporting period, as well as matters occurring during the reporting period that have a material impact on the Company's operations and are expected to have a material impact in the future.

As of December 31, 2025, the Company's total assets amounted to RMB 10,342.5347 million and equity attributable to shareholders of the parent company amounted to RMB 6,902.8632 million. During the reporting period, the Company achieved total operating revenue of RMB 3,990.6780 million, a slight increase of 1.71% over the same period of the previous year; total profit of RMB 699.4164 million, a decrease of 29.50% over the same period of the previous year; net profit attributable to shareholders of the parent company of RMB 581.5362 million, a decrease of 29.61% over the same period of the previous year; and net profit attributable to the parent company excluding non-recurring gains and losses of RMB 502.7201 million, a decrease of 35.73% over the same period of the previous year.

2. If circumstances triggering a delisting risk warning or termination of listing exist after the disclosure of the Company's annual report, the reasons for such circumstances shall be disclosed.

□ Applicable √ Not applicable