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## ESSEX BIO-TECHNOLOGY LIMITED

## 億勝生物科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1061)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “Board”) of directors (the “Directors”) of Essex Bio-Technology Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025 together with comparative figures for the year ended 31 December 2024 as follows:

#### FINANCIAL HIGHLIGHTS

	Presentation Currency in HK\$			Comparison Results in RMB		
	2025 HK\$'000	2024 HK\$'000	Increase/ (decrease) %	2025 RMB'000	2024 RMB'000	Increase/ (decrease) %
<b>Results</b>						
Turnover	1,813,807	1,669,817	8.6	1,672,047	1,537,813	8.7
Profit for the year	318,091	307,222	3.5	293,230	282,935	3.6
<b>Financial position</b>						
Total assets	3,490,761	2,983,045	17.0	3,137,080	2,803,078	11.9
Total liabilities	1,077,675	859,325	25.4	968,486	807,482	19.9
Net assets	2,413,086	2,123,720	13.6	2,168,594	1,995,596	8.7
Cash and cash equivalents	782,730	557,167	40.5	703,425	523,553	34.4
	2025	2024	Increase/ (decrease) %			
<b>Financial ratios</b>						
Current ratio (Note 1)	2.11	1.81				
Gearing ratio (Note 2)	0.31	0.29				
Gross profit margin (Note 3)	89.2%	89.8%				
Net profit margin (Note 4)	17.5%	18.4%				
Return on equity (Note 5)	13.2%	14.5%				
Earnings per share						
– Basic	HK56.10 cents	HK54.14 cents	3.6			
– Diluted	HK56.10 cents	HK53.18 cents	5.5			
<b>Dividend per ordinary share</b>						
– Interim	HK7.0 cents	HK6.0 cents	16.7			
– Final	HK7.0 cents	HK6.0 cents	16.7			
	<u>HK14.0 cents</u>	<u>HK12.0 cents</u>	16.7			

Notes:

- 1 Current ratio: Total current assets/Total current liabilities
- 2 Gearing ratio: Total liabilities/Total assets
- 3 Gross profit margin: Gross profit/Turnover x 100%
- 4 Net profit margin: Profit for the year/Turnover x 100%
- 5 Return on equity: Profit for the year/Total equity x 100%

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$</b>	2024 <b>HK\$</b>
<b>Turnover</b>	3 & 4	<b>1,813,807,257</b>	1,669,816,770
Cost of sales		<u>(195,921,227)</u>	<u>(171,154,250)</u>
<b>Gross profit</b>		<b>1,617,886,030</b>	1,498,662,520
Other revenue, and other gains and losses		<b>12,161,872</b>	33,964,595
Distribution and selling expenses		<b>(984,179,192)</b>	(934,180,643)
Administrative expenses		<b>(223,228,996)</b>	(213,947,904)
Finance costs		<b>(7,815,031)</b>	(6,087,256)
Share of loss of an associate		<u>(162,383)</u>	<u>(2,911,081)</u>
<b>Profit before income tax</b>	5	<b>414,662,300</b>	375,500,231
Income tax	6	<u>(96,571,137)</u>	<u>(68,278,413)</u>
<b>Profit for the year</b>		<u><b>318,091,163</b></u>	<u>307,221,818</u>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations		<b>72,173,508</b>	(56,207,805)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of equity instruments at fair value through other comprehensive income		<u>(26,863,157)</u>	<u>9,643,772</u>
<b>Other comprehensive income for the year</b>		<u><b>45,310,351</b></u>	<u>(46,564,033)</u>
<b>Total comprehensive income for the year</b>		<u><b>363,401,514</b></u>	<u>260,657,785</u>
<b>Earnings per share attributable to owners of the Company</b>			
Basic	8	<u><b>HK56.10 cents</b></u>	<u>HK54.14 cents</u>
Diluted	8	<u><b>HK56.10 cents</b></u>	<u>HK53.18 cents</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>HK\$</b>	2024 <b>HK\$</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	497,822,118	393,979,768
Right-of-use assets		19,306,919	20,226,464
Land use rights		13,957,760	13,701,944
Goodwill		56,547,208	53,950,779
Other intangible assets	10	1,266,181,333	1,127,654,183
Investment in an associate		–	159,303
Convertible loan receivables	11	–	14,545,374
Financial assets at fair value through other comprehensive income	12	14,562,460	44,223,974
Financial assets at fair value through profit or loss	12	380,387	2,589,859
Deposits and prepayments	15	1,877,577	28,712,150
<b>Total non-current assets</b>		<b>1,870,635,762</b>	1,699,743,798
<b>Current assets</b>			
Inventories	13	79,398,026	58,938,488
Trade and other receivables	14	690,663,919	586,295,190
Deposits and prepayments	15	48,960,109	46,604,231
Convertible loan receivables	11	16,960,885	30,724,762
Financial assets at fair value through profit or loss	12	1,411,978	3,572,345
Cash and cash equivalents		782,730,099	557,166,527
<b>Total current assets</b>		<b>1,620,125,016</b>	1,283,301,543
<b>Total assets</b>		<b>3,490,760,778</b>	2,983,045,341
<b>Current liabilities</b>			
Trade and other payables	16	571,311,414	545,396,348
Bank borrowings		65,006,750	69,798,439
Lease liabilities		4,093,825	3,265,185
Current tax liabilities		126,493,166	90,517,863
<b>Total current liabilities</b>		<b>766,905,155</b>	708,977,835
<b>Net current assets</b>		<b>853,219,861</b>	574,323,708
<b>Total assets less current liabilities</b>		<b>2,723,855,623</b>	2,274,067,506
<b>Non-current liabilities</b>			
Bank borrowings		260,641,893	95,549,757
Lease liabilities		17,161,622	18,425,411
Deferred tax liabilities		32,966,464	36,372,158
<b>Total non-current liabilities</b>		<b>310,769,979</b>	150,347,326
<b>Total liabilities</b>		<b>1,077,675,134</b>	859,325,161
<b>NET ASSETS</b>		<b>2,413,085,644</b>	2,123,720,180
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital		56,700,600	56,712,900
Reserves		2,356,385,044	2,067,007,280
<b>TOTAL EQUITY</b>		<b>2,413,085,644</b>	2,123,720,180

## NOTES:

### 1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

### 2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

#### Adoption of revised HKFRS Accounting Standards with effect from 1 January 2025

The Group has adopted the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time for the current year’s financial statements.

Amendments to HKAS 21	Lack of Exchangeability
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The adoption of these amendments has no material impact on the Group’s financial statements.

### 3. TURNOVER

Turnover represents the sales value of goods supplied to customers and service income (net of sales tax, value-added tax, commercial discounts and sales returns), further details of which are set out in note 4.

### 4. SEGMENT REPORTING

The Group manages its businesses by business lines. The segment information is reported internally to the chief operating decision-maker (i.e. executive Directors) for the purposes of resources allocation and performance assessment. The Group’s reportable and operating segments for financial reporting purposes are as follows:

- Ophthalmology: Development, manufacture and/or sale of products including Beifushu® series (Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops), Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, Diquafosol Sodium Eye Drops, 適麗順® (Iodized Lecithin Capsules\*), Soft Hydrophilic Contact Lens and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses;

- Surgical: Development, manufacture and/or sale of products including Beifuji® series (Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel), Carisolv® dental caries removal gel, 伊血安顆粒 (Yi Xue An Granules\*), Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis and Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore; and
- Healthcare and Partner Services: 佻典醫生 (Dr. YaDian\*) oral care products, online and offline healthcare services and products, contract manufacturing organisation (CMO)/contract development and manufacturing organisation (CDMO) service and trades in equipment and parts.

**(a) Reportable segments**

The chief operating decision-maker monitors the results of its business units separately for the purpose of making decision about resources allocation and performance assessment. Segment performance is evaluated based on the results from the reportable segments as explained in the table below.

**For the year ended 31 December 2025**

	Ophthalmology <i>HK\$</i>	Surgical <i>HK\$</i>	Healthcare and Partner Services <i>HK\$</i>	Total <i>HK\$</i>
<b>Reportable segment revenue</b>				
– Revenue from external customers	<u>835,031,993</u>	<u>895,903,688</u>	<u>82,871,576</u>	<u>1,813,807,257</u>
<b>Reportable segment profit</b>	<u>230,141,667</u>	<u>250,974,379</u>	<u>11,364,107</u>	<u>492,480,153</u>

**For the year ended 31 December 2024**

	Ophthalmology <i>HK\$</i>	Surgical <i>HK\$</i>	Healthcare and Partner Services <i>HK\$</i>	Total <i>HK\$</i>
<b>Reportable segment revenue</b>				
– Revenue from external customers	<u>771,489,697</u>	<u>879,902,941</u>	<u>18,424,132</u>	<u>1,669,816,770</u>
<b>Reportable segment profit</b>	<u>209,689,673</u>	<u>237,420,025</u>	<u>12,419,198</u>	<u>459,528,896</u>

The totals presented for the Group's operating segments were reconciled to the Group's key financial figures as presented in the consolidated financial statements as follows:

	<b>2025</b>	2024
	<b>HK\$</b>	HK\$
Reportable segment profit	<b>492,480,153</b>	459,528,896
Unallocated corporate income and expenses, net	<b>(68,048,494)</b>	(78,872,104)
Change in fair value of financial assets at fair value through profit or loss	<b>(1,954,328)</b>	930,695
Finance costs	<b>(7,815,031)</b>	(6,087,256)
	<u><b>414,662,300</b></u>	<u>375,500,231</u>

Major corporate expenses comprised mainly the staff costs including Directors' emoluments.

Analysis of segment assets and liabilities has not been presented as the measure of segment assets and liabilities is not regularly provided to the executive Directors.

**(b) Geographical information**

**(i) Revenue from external customers**

For the years ended 31 December 2025 and 2024, the Group's revenue from external customers of HK\$1,803,109,780 (2024: HK\$1,662,297,999) and HK\$10,697,477 (2024: HK\$7,518,771) was derived from its operations in the People's Republic of China ("PRC") and overseas, respectively.

**(ii) Non-current assets**

	<b>2025</b>	2024
	<b>HK\$</b>	HK\$
PRC	<b>1,482,007,105</b>	1,330,879,465
Hong Kong	<b>272,534,168</b>	274,228,997
Overseas	<b>101,151,642</b>	33,276,129
	<u><b>1,855,692,915</b></u>	<u>1,638,384,591</u>

The non-current assets information above excludes convertible loan receivables, financial assets at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL"), and is based on the physical locations of the respective assets, except for goodwill and other intangible assets of which is based on the areas of the group entities' operations.

(c) **Information about major customers**

For the year ended 31 December 2025, revenue of HK\$466,399,161 (2024: HK\$451,629,803 and HK\$179,528,392) was derived from the sales to one customer (2024: two customers, respectively), which individually accounted for over 10% of the Group's total revenue.

**5. PROFIT BEFORE INCOME TAX**

This is arrived at after charging/(crediting):

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
Amortisation of land use rights	<b>359,857</b>	360,208
Amortisation of other intangible assets	<b>24,968,045</b>	24,894,619
Auditor's remuneration	<b>1,544,500</b>	1,604,700
Cost of inventories	<b>156,771,021</b>	165,280,217
Cost of services	<b>38,113,984</b>	2,003,468
Depreciation of property, plant and equipment	<b>30,955,705</b>	25,830,661
Depreciation of right-of-use assets	<b>6,308,053</b>	4,787,466
Employee costs excluding Directors' emoluments:		
– Salaries and other benefits	<b>305,390,840</b>	309,070,741
– Pension fund contributions	<b>21,891,848</b>	18,738,060
Exchange (gains)/losses, net	<b>(4,835,321)</b>	4,604,485
Write-off of inventories	<b>1,036,222</b>	3,870,565
Loss on disposal of property, plant and equipment	<b>181,486</b>	479,791
Research and development costs recognised as expenses	<b>37,867,245</b>	25,009,026

## 6. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Current tax – the PRC		
– Provision for the year	95,179,720	63,712,961
– Underprovision in the prior year	980,026	1,950,260
Deferred tax	<u>411,391</u>	<u>2,615,192</u>
	<u><b>96,571,137</b></u>	<u><b>68,278,413</b></u>

No provision for Hong Kong profits tax has been made as the Group has no assessable profit arising in Hong Kong.

The Group's major operating subsidiary in Zhuhai, the PRC, was established and carries on business in the Special Economic Zones of the PRC as a high technology enterprise. This subsidiary has obtained a 高新技術企業證書 (High Technology Enterprise Certificate) and is entitled to enjoy the enterprise income tax at the concessionary rate of 15% for the years ended 31 December 2025 and 2024. The income tax rate applicable to other PRC subsidiaries is 25%.

Enterprise income tax of the Group's other operating subsidiaries is calculated at tax rates prevailing in the jurisdictions in which they operate.

## 7. DIVIDENDS

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Interim dividend – HK\$0.07 (2024: HK\$0.06) per share	39,690,420	34,044,000
Proposed final dividend – HK\$0.07 (2024: Final dividend – HK\$0.06) per share	<u>39,690,420</u>	<u>34,020,360</u>
	<u><b>79,380,840</b></u>	<u><b>68,064,360</b></u>

The Directors propose a final dividend of HK\$0.07 (2024: HK\$0.06) per ordinary share to be paid. The amount of proposed final dividend is based on the number of issued ordinary shares as at the end of the reporting period. This proposed dividend is not reflected as dividend payable as at the end of the reporting period but will be reflected as an appropriation of retained earnings for the year ending 31 December 2026.

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

### Earnings

	2025 <i>HK\$</i>	2024 <i>HK\$</i>
Profit attributable to owners of the Company for the purposes of calculating basic earnings per share	<b>318,091,163</b>	307,221,818
Interest expense on convertible loan payable, net of amount capitalised	<u>N/A</u>	<u>2,464,692</u>
Profit attributable to owners of the Company for the purposes of calculating diluted earnings per share	<b><u>318,091,163</u></b>	<b><u>309,686,510</u></b>

### Number of shares

	2025	2024
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	<b>567,020,515</b>	567,489,139
Effect of dilutive potential ordinary shares: – convertible loan payable	<u>N/A</u>	<u>14,830,508</u>
Weighted average number of ordinary shares for the purposes of calculating diluted earnings per share	<b><u>567,020,515</u></b>	<b><u>582,319,647</u></b>

## 9. PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements <i>HK\$</i>	Plant and machinery <i>HK\$</i>	Furniture, fixtures and equipment <i>HK\$</i>	Motor vehicles <i>HK\$</i>	Construction in progress <i>HK\$</i>	Total <i>HK\$</i>
<b>Cost:</b>						
At 1 January 2024	116,625,971	205,729,925	71,458,812	7,213,928	140,486,516	541,515,152
Additions	1,875,303	9,323,621	15,849,133	–	23,691,514	50,739,571
Disposals	–	(7,139,660)	(1,862,895)	(351,600)	–	(9,354,155)
Exchange adjustment	(4,304,862)	(7,557,704)	(2,857,930)	(225,992)	(5,320,312)	(20,266,800)
At 31 December 2024	114,196,412	200,356,182	82,587,120	6,636,336	158,857,718	562,633,768
Additions	9,179,151	14,350,066	3,863,411	1,319,014	86,221,696	114,933,338
Acquisition of a subsidiary	–	1,937,280	1,230,007	–	–	3,167,287
Disposals	–	(736,836)	(322,855)	(2,343,383)	–	(3,403,074)
Transfers	–	33,823,194	223,594	–	(34,046,788)	–
Exchange adjustment	5,503,734	10,336,758	3,895,106	249,834	8,236,977	28,222,409
At 31 December 2025	128,879,297	260,066,644	91,476,383	5,861,801	219,269,603	705,553,728
<b>Accumulated depreciation:</b>						
At 1 January 2024	22,647,755	91,686,082	37,220,818	5,419,074	–	156,973,729
Charge for the year	2,510,348	12,175,748	10,722,609	421,956	–	25,830,661
Disposals	–	(6,076,644)	(1,730,629)	(321,046)	–	(8,128,319)
Exchange adjustment	(878,251)	(3,470,313)	(1,503,839)	(169,668)	–	(6,022,071)
At 31 December 2024	24,279,852	94,314,873	44,708,959	5,350,316	–	168,654,000
Charge for the year	5,547,363	14,167,535	10,877,626	363,181	–	30,955,705
Acquisition of a subsidiary	–	1,738,444	1,210,070	–	–	2,948,514
Disposals	–	(687,344)	(272,235)	(2,190,964)	–	(3,150,543)
Exchange adjustment	1,251,872	4,627,139	2,272,660	172,263	–	8,323,934
At 31 December 2025	31,079,087	114,160,647	58,797,080	3,694,796	–	207,731,610
<b>Carrying amount:</b>						
At 31 December 2025	<u>97,800,210</u>	<u>145,905,997</u>	<u>32,679,303</u>	<u>2,167,005</u>	<u>219,269,603</u>	<u>497,822,118</u>
At 31 December 2024	<u>89,916,560</u>	<u>106,041,309</u>	<u>37,878,161</u>	<u>1,286,020</u>	<u>158,857,718</u>	<u>393,979,768</u>

The carrying amount of construction in progress represented the costs incurred for the construction of the new factory which will be reclassified to buildings and leasehold improvements, plant and machinery and equipment when the construction is completed.

## 10. OTHER INTANGIBLE ASSETS

	<b>Development expenditure</b>	<b>Acquired intangible assets</b>	<b>Total</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
<b>Cost:</b>			
At 1 January 2024	298,727,348	854,313,383	1,153,040,731
Additions	27,370,590	104,213,921	131,584,511
Write-off	–	(2,876,931)	(2,876,931)
Exchange adjustment	(9,140,010)	(25,771,426)	(34,911,436)
	<u>316,957,928</u>	<u>929,878,947</u>	<u>1,246,836,875</u>
At 31 December 2024	316,957,928	929,878,947	1,246,836,875
Additions	6,008,917	61,092,008	67,100,925
Acquisition of a subsidiary	64,509,602	7,718,809	72,228,411
Exchange adjustment	10,435,634	34,850,720	45,286,354
	<u>397,912,081</u>	<u>1,033,540,484</u>	<u>1,431,452,565</u>
At 31 December 2025	397,912,081	1,033,540,484	1,431,452,565
<b>Accumulated amortisation and impairment losses:</b>			
At 1 January 2024	57,887,593	40,314,943	98,202,536
Amortisation	4,805,446	20,089,173	24,894,619
Exchange adjustment	(2,099,498)	(1,814,965)	(3,914,463)
	<u>60,593,541</u>	<u>58,589,151</u>	<u>119,182,692</u>
At 31 December 2024	60,593,541	58,589,151	119,182,692
Amortisation	4,801,423	20,166,622	24,968,045
Acquisition of a subsidiary	–	6,677,901	6,677,901
Impairment ( <i>Note</i> )	8,466,362	–	8,466,362
Exchange adjustment	2,936,362	3,039,870	5,976,232
	<u>76,797,688</u>	<u>88,473,544</u>	<u>165,271,232</u>
At 31 December 2025	76,797,688	88,473,544	165,271,232
<b>Carrying amount:</b>			
At 31 December 2025	<u><u>321,114,393</u></u>	<u><u>945,066,940<sup>#</sup></u></u>	<u><u>1,266,181,333</u></u>
At 31 December 2024	<u><u>256,364,387</u></u>	<u><u>871,289,796<sup>#</sup></u></u>	<u><u>1,127,654,183</u></u>

# The amount mainly represented the following:

- (i) In 2018, the Group entered into a co-development agreement (and as supplemented and revised from time to time) with an independent third party, Mitotech S.A. under which the Group has agreed to fund for a clinical development in the United States Food and Drug Administration phase 3 clinical trial of an ophthalmic solution containing SkQ1 as its sole active pharmaceutical ingredient (the “SkQ1 Product”) which shall be provided as a pharmaceutical product in the field of dry eye disease, in return for a share of certain income received by Mitotech S.A. from the SkQ1 Product.

In 2022, the Group acquired from Mitotech S.A. all the rights of a list of inventions and patents relating to SkQ1 in the field of ophthalmology and all ophthalmic indications.

As at 31 December 2025, the carrying amount of the SkQ1 Product was HK\$350,846,998 (2024: HK\$344,004,639).

- (ii) In 2020, the Group entered into a co-development and exclusive license agreement with an independent third party, Shanghai Henlius Biotech, Inc. (“Henlius”) under which the Group has agreed to fund 80% of the development costs of a pharmaceutical product that contains an anti-vascular endothelial growth factor (anti-VEGF) as a drug substance (the “Licensed Product”), which is intended for the treatment of exudative (wet) age-related macular degeneration. In return, the Group has obtained an exclusive license for the regulatory development, manufacture and commercialisation of the Licensed Product worldwide, subject to commercial sales milestone payment and royalties levied on net sales of the Licensed Product payable to Henlius.

During the year ended 31 December 2025, the development cost incurred in the Licensed Product was HK\$61,078,770 (2024: HK\$103,924,486). As at 31 December 2025, the carrying amount of the Licensed Product was HK\$451,450,016 (2024: HK\$371,837,404).

- (iii) In 2022, the Group acquired intellectual property rights and right of Marketing Authorisation Holder relating to 適麗順® (Iodized Lecithin Capsules\*) at an effective consideration of HK\$144,079,537. As at 31 December 2025, the carrying amount was HK\$91,829,003 (2024: HK\$101,177,843).

*Note:*

During the year ended 31 December 2025, the capitalised costs of a development project were impaired by the Group as a result of the Group deciding not to further proceed with this development project which deviated from the Group’s business direction. Accordingly, an aggregate loss of HK\$8,466,362 on the development expenditure was recognised in profit or loss.

## 11. CONVERTIBLE LOAN RECEIVABLES

- (i) In 2018, the Group entered into an agreement with an independent third party (“Investee A”) to subscribe for a convertible loan with principal amount of US\$4,500,000 (approximately HK\$35,278,200) which carries interest at 5% per annum with maturity on 31 July 2022 (“Convertible Loan A”), and the maturity date was extended to 31 July 2026 by several supplementary agreements. The entire principal amount of Convertible Loan A can be converted into such number of shares representing 45% of the enlarged and fully diluted share capital of Investee A at any time before the maturity date. In the event that no conversion has been taken place before maturity date, Investee A shall repay the Group on the maturity date the outstanding principal amount plus an amount calculated by the Group which would yield a return for the Group on the principal amount of Convertible Loan A of 8% per annum. As at 31 December 2025, the principal amount of US\$1,600,000 (equivalent to HK\$12,497,650) was disbursed to Investee A and it is classified as financial assets at FVTPL upon the initial recognition.
  
- (ii) From 2020 to 2022, the Group made available certain convertible loans to Antikor Biopharma Limited (“Antikor”) in the aggregate principal amount of US\$3,250,000 (equivalent to HK\$25,302,724) which carry interest at 5% per annum with maturity on 30 September 2023 (“Convertible Loan B”), and the maturity date was extended to 31 March 2025 by several amendment agreements. The aggregate principal amount of Convertible Loan B can be converted into such number of shares representing 22.57% of the enlarged and fully diluted share capital of Antikor at any time before the maturity date. Convertible Loan B is classified as financial asset at FVTPL upon the initial recognition.

During the year ended 31 December 2025, Convertible Loan B was eliminated at consolidation level upon the acquisition of 100% equity interest in Antikor.

The Group's convertible loan receivables are as follows:

	<i>HK\$</i>
<b>At 31 December 2025</b>	
Convertible Loan A, classified under current assets	<b><u>16,960,885</u></b>
	<i>HK\$</i>
At 31 December 2024	
– Convertible Loan A	14,545,374
– Convertible Loan B	<u>30,724,762</u>
Total	45,270,136
Less: Current portion	<u>(30,724,762)</u>
Non-current portion	<b><u>14,545,374</u></b>

The movements in fair values of convertible loan receivables classified as level 3 in the fair value hierarchy are as follows:

	<i>HK\$</i>
At 1 January 2024	41,820,601
Additions	3,134,872
Change in fair value recognised in profit or loss	<u>314,663</u>
At 31 December 2024	45,270,136
Elimination at consolidation level upon the acquisition of a subsidiary	(30,724,762)
Change in fair value recognised in profit or loss	<u>2,415,511</u>
At 31 December 2025	<b><u>16,960,885</u></b>

**12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
<b>Non-current</b>		
Equity investments designated at FVTOCI ( <i>Note (a)</i> )		
– Listed equity investments ( <i>Note (b)</i> )	<b>14,562,460</b>	29,627,308
– Unlisted equity investments ( <i>Note (c)</i> )	<u>–</u>	<u>14,596,666</u>
	<b><u>14,562,460</u></b>	<b><u>44,223,974</u></b>
Equity investments designated at FVTPL ( <i>Note (d)</i> )		
– Unlisted equity investments ( <i>Note (c)</i> )	<b><u>380,387</u></b>	<b><u>2,589,859</u></b>
<b>Current</b>		
Equity investments designated at FVTPL ( <i>Note (d)</i> )		
– Listed equity investments ( <i>Note (b)</i> )	<b><u>1,411,978</u></b>	<b><u>3,572,345</u></b>

*Notes:*

- (a) The equity investments were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature.
- (b) The balance as at 31 December 2025 represents four (2024: four) listed equity securities which are listed on the NASDAQ Stock Market of the United States, namely AC Immune SA, Humacyte Inc., CytoMed Therapeutics Limited and Abpro Holdings, Inc. (2024: AC Immune SA, Humacyte Inc., CytoMed Therapeutics Limited and Abpro Holdings, Inc.). The fair value was based on quoted market price as at 31 December 2025.
- (c) The balance as at 31 December 2025 represents one unlisted equity investment (2024: two unlisted equity investments), namely the investment in series pre-A preferred stock of a private company incorporated in Singapore (“Equity A”) (2024: (i) Equity A; and (ii) ordinary shares of Antikor (“Equity B”). During the year ended 31 December 2025, Equity B was derecognised and became part of the purchase consideration in relation to the acquisition of 100% equity interest in Antikor.
- (d) The equity investments were irrevocably designated at FVTPL as the Group considers these investments to be held for trading.

### 13. INVENTORIES

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Raw materials	14,367,506	14,265,186
Work in progress	6,724,435	10,630,908
Finished goods	<u>58,306,085</u>	<u>34,042,394</u>
	<u><b>79,398,026</b></u>	<u><b>58,938,488</b></u>

During the year ended 31 December 2025, the Group has carried out regular reviews of the carrying amounts of inventories with reference to aged inventories analysis, expected future consumption, physical condition and management judgement. As a result, inventories of HK\$1,036,222 (2024: HK\$3,870,565) have been written off and recognised in profit or loss.

### 14. TRADE AND OTHER RECEIVABLES

	2025	2024
	<i>HK\$</i>	<i>HK\$</i>
Trade receivables	661,501,918	528,102,048
Impairment	<u>(4,949,932)</u>	<u>(7,043,413)</u>
	656,551,986	521,058,635
Other receivables ( <i>Note</i> )	<u>34,111,933</u>	<u>65,236,555</u>
	<u><b>690,663,919</b></u>	<u><b>586,295,190</b></u>

*Note:*

Other receivables as at 31 December 2024 included a loan to Antikor in the principal amount of US\$800,000 (equivalent to HK\$6,235,512) which bore a fixed interest rate at 8% with a loan period of 9 months. During the year ended 31 December 2025, the loan receivable was derecognised and became part of the purchase consideration in relation to the acquisition of 100% equity interest in Antikor.

The Group's policy is to allow a credit period of 90 days to its trade customers.

The Directors have considered the track records of customers and age of the outstanding balances and are of the view that a provision of HK\$4,949,932 (2024: HK\$7,043,413) is required as at 31 December 2025.

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

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
0-60 days	<b>470,353,160</b>	349,680,004
61-90 days	<b>61,945,407</b>	54,166,531
Over 90 days	<b>124,253,419</b>	117,212,100
	<b><u>656,551,986</u></b>	<b><u>521,058,635</u></b>

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
Neither past due nor impaired	<b>532,298,567</b>	403,846,535
Less than 3 months past due	<b>89,235,114</b>	66,461,645
Over 3 months past due	<b>35,018,305</b>	50,750,455
	<b><u>656,551,986</u></b>	<b><u>521,058,635</u></b>

## 15. DEPOSITS AND PREPAYMENTS

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
Deposits paid for acquisition of property, plant and equipment	<b>1,877,577</b>	28,712,150
Prepayments for purchase of finished goods	<b>24,138,259</b>	25,717,901
Other deposits	<b>2,346,304</b>	1,935,414
Other prepayments	<b>22,475,546</b>	18,950,916
	<b><u>50,837,686</u></b>	<b><u>75,316,381</u></b>
Total	<b>50,837,686</b>	75,316,381
Less: Current portion	<b>(48,960,109)</b>	(46,604,231)
	<b><u>1,877,577</u></b>	<b><u>28,712,150</u></b>
Non-current portion	<b>1,877,577</b>	28,712,150

Deposits and prepayments do not contain impaired assets and their carrying amounts approximate to their fair values.

**16. TRADE AND OTHER PAYABLES**

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
Trade payables	<b>11,563,276</b>	7,359,087
Other payables and accruals ( <i>Note</i> )	<b>559,748,138</b>	538,037,261
	<b><u>571,311,414</u></b>	<b><u>545,396,348</u></b>

*Note:*

Other payables and accruals included the accruals for sales and marketing costs of HK\$458,859,786 (2024: HK\$402,399,025).

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

	<b>2025</b>	2024
	<b>HK\$</b>	<b>HK\$</b>
0-60 days	<b>8,516,240</b>	7,123,665
61-90 days	<b>1,222,156</b>	45,650
Over 90 days	<b>1,824,880</b>	189,772
	<b><u>11,563,276</u></b>	<b><u>7,359,087</u></b>

## BUSINESS REVIEW

The Group envisions becoming a great and socially responsible corporation. Strategically, the Group develops, manufactures and commercialises genetically engineered therapeutic recombinant bovine basic fibroblast growth factor (“rb-bFGF”), leveraging its established mechanism of action in cellular proliferation, differentiation and migration.

The Group’s turnover is primarily driven by its ophthalmology segment (“Ophthalmology”) and surgical (encompassing wound care and healing) segment (“Surgical”), which cater to various medical fields including dermatology, stomatology, obstetrics and gynaecology. Furthermore, the Group is expanding its portfolio through strategic investments in emerging therapeutics, focusing on oncology, orthopaedics and neurology.

Currently the Group has six commercialised biologics, collectively referred to as the “bFGF Series”, which are marketed and sold in the PRC. These products include:

- Beifushu<sup>®</sup> eye drops, Beifushu<sup>®</sup> eye gel and Beifushu<sup>®</sup> unit-dose eye drops for treatment of ocular wounds; and
- Beifuji<sup>®</sup> spray, Beifuji<sup>®</sup> lyophilised powder and Beifuxin<sup>®</sup> gel for treatment of surface wounds.

The bFGF Series are developed and manufactured by the Group. Three of the bFGF Series were approved by 國家藥品監督管理局 (National Medical Products Administration (“NMPA”)) as Category I drugs, and four are listed on the National Drug List for Basic Medical Insurance, Work-Related Injury Insurance and Maternity Insurance issued by the National Healthcare Security Administration and the Ministry of Human Resources and Social Security of the PRC. Collectively, the combined turnover of the bFGF Series represented about 83.5% of the Group’s total turnover for the year under review.

In addition to the bFGF Series, the Group has a portfolio of commercialised preservative-free unit-dose eye drops, including Tobramycin, Levofloxacin, Sodium Hyaluronate, Moxifloxacin Hydrochloride and Diquafosol Sodium Eye Drops. In July 2025 and January 2026, the Group obtained approvals from NMPA for the registration and commercialisation of the multi-dose Diquafosol Sodium Eye Drops and the multi-dose Sodium Hyaluronate Eye Drops in the PRC, respectively.

Other key products include:

- 適麗順® (Iodized Lecithin Capsules\*), an oral ophthalmic product for treating central serous chorioretinopathy, central exudative chorioretinopathy, vitreous haemorrhage, vitreous opacities and central retinal vein occlusion, etc, has become one of the Group's core products and growth drivers since 2022;
- Carisolv® dental caries removal gel and 佺典醫生 (Dr. YaDian\*) oral care products; and
- a range of products and medical devices complementing the Group's therapeutics business of Ophthalmology and Surgical, including 伊血安顆粒 (Yi Xue An Granules\*), Soft Hydrophilic Contact Lens, Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis, Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses.

To drive mid-term and long-term growth, the Group maintains a robust pipeline of multi-project in research and development (“R&D”) initiatives at various stages of clinical programmes, focusing on unit-dose ophthalmic products and biologics including growth factors and antibodies.

## **SIGNIFICANT BUSINESS DEVELOPMENT ACTIVITIES**

We are committed to pragmatically investing in new products and technologies to strengthen the Group's product and R&D pipeline as near to mid-term growth driver in ophthalmology and long-term plan for new therapeutics in oncology. Major investments in ophthalmic products that are under advanced stage of clinical development are outlined as follows:

### **SkQ1 Product**

A late-stage clinical development of SkQ1 for dry eye disease (the “SkQ1 Product”), as disclosed in the announcement of the Company dated 24 February 2021, achieved a positive outcome from the second phase 3 clinical trial (VISTA-2). The clinical trial study repeated statistically significant positive results on key predefined secondary end-point (Central Corneal Fluorescein Staining). The read-out of clearing of central staining of the cornea (defined as zero staining in central cornea) reveals the potential of SkQ1 in addressing oxidative stress in dry eye diseases.

As disclosed in the announcement of the Company dated 13 October 2022, the Group strategically and successfully secured (i) a patent assignment deed; and (ii) a patent and know-how licence agreement relating to SkQ1 in the field of ophthalmology exclusively for the global market (the “Global Rights”).

The Group is in the final stages of completing the transfer of chemistry, manufacturing and controls (CMC), know-how and intellectual property rights relating to SkQ1. Concurrently, the Group is re-establishing the VISTA programme with regulators for mitigating any identifiable risks before continuing with the clinical trial. The aforementioned tasks will inevitably be time-consuming due to external factors and technical challenges involved. The Board will keep shareholders and investors informed as and when appropriate about the development status.

The total actual investment cost of approximately HK\$350.8 million has been incurred for the clinical development of the SkQ1 Product and the Global Rights, and is presented as “Acquired Intangible Assets” under the Group’s consolidated financial statements as at 31 December 2025. The investment cost represented 10.1% of the Group’s total assets as at 31 December 2025. According to Frost & Sullivan, the estimated number of patients with moderate-to-severe dry eye disease was around 111.6 million in the PRC in 2024. It is expected that the size of the potential market of the SkQ1 Product will be significant.

For the purpose of on-going development and execution of the SkQ1 Product and the Global Rights of SkQ1 (exclusive of the PRC), the said asset is in the process of being carved out and injected into DunaVision Pte Ltd, Singapore, which is newly established and a wholly-owned subsidiary of the Company.

### **Anti-VEGF Licensed Product**

In 2020, the Group entered into a co-development and exclusive license agreement (the “Co-Development License Agreement”) with Shanghai Henlius Biotech, Inc. (“Henlius”) to co-develop a pharmaceutical product that contains an anti-vascular endothelial growth factor (“anti-VEGF”) as a drug substance (the “Anti-VEGF Licensed Product”), which is intended for the treatment of exudative (wet) age-related macular degeneration (“wet-AMD”). As at the date of this announcement, the recombinant anti-VEGF humanised monoclonal antibody injection HLX04-O (“HLX04-O”) for the treatment of wet-AMD has been approved to commence the phase 3 clinical trial in Australia, the United States, Singapore, Russia, Serbia and European Union countries such as Hungary, Spain, Latvia, the Czech Republic and Poland. So far, the first patient has been dosed in a phase 3 clinical study for HLX04-O for the treatment of wet-AMD in the PRC, Latvia, Australia and the United States successively, and the last patient last visit was completed. Also, the phase 1/2 clinical study for HLX04-O for the treatment of wet-AMD has shown its safety and tolerability and demonstrated preliminary efficacy. A Biologics License Application (BLA) was accepted by NMPA in the PRC in August 2025.

On 22 February 2023, the Group entered into an amendment agreement with Henlius to amend certain terms of the Co-Development License Agreement, which include payments for regulatory and commercial sales milestones and development costs in respect of the Anti-VEGF Licensed Product. Please refer to the announcement of the Company dated 22 February 2023 and the 2022 annual results announcement of the Company dated 8 March 2023 for further details.

Henlius is the holding company of a group principally engaged in (i) the research and development, production and sale of monoclonal antibody (mAb) drugs and the provision of related technical services (except for the development and application of human stem cells, genetic diagnosis and therapy technology); and (ii) the transfer of its own technology and provision of the related technology consultation services.

Total maximum commitment in relation to the co-development of the Anti-VEGF Licensed Product with Henlius is US\$67.0 million (equivalent to approximately HK\$521.5 million). Total actual investment cost of approximately HK\$451.5 million is presented as “Acquired Intangible Assets” under the Group’s consolidated financial statements as at 31 December 2025. The investment cost represented 12.9% of the Group’s total assets as at 31 December 2025. The Anti-VEGF Licensed Product can be used for treating wet-AMD, diabetic macular edema, macular edema caused by retinal vein occlusion and myopic choroidal neovascularisation. According to Frost & Sullivan, the estimated number of patients with these 4 categories of disease was around 16.4 million in the PRC in 2025. Assuming each patient applies 4 doses in the first year of treatment and 2 to 3 doses in subsequent years, it is expected that the size of the potential market of the Anti-VEGF Licensed Product will be significant.

Apart from the investments in the SkQ1 Product and the Anti-VEGF Licensed Product, as at 31 December 2025 and the date of this announcement, each of the investments made and held by the Group represented less than 5% of the Group’s total assets.

### **Other Business Development Activities**

Beifushu<sup>®</sup>, one of the Group’s flagship ophthalmic products, has been successfully introduced to Singapore via the Special Access Route (SAR) at the Singapore National Eye Centre (“SNEC”), enabling ophthalmologists at SNEC to prescribe Beifushu<sup>®</sup> for specific patients. This milestone marks the product’s first entry beyond the PRC, establishing a foothold for future launches in Southeast Asia and global markets. The success reflects the synergy and determination of our teams across Singapore and the PRC, who navigated complex institutional regulatory and operational challenges. Strategic relationships built with key opinion leaders and leading institutions across the region laid the foundation for this achievement and future opportunities.

During the year under review, the Group has entered into a collaboration with 北京鷹瞳科技發展股份有限公司 (Beijing Airdoc Technology Co., Ltd.\*) to jointly operate Artificial Intelligence-based retinal businesses. In addition, the Group has entered into an exclusive distribution agreement with Seefunge Pharmaceutical Technology Co., Ltd. (“Seefunge”) for Seefunge’s Emedastine Difumarate and Oxybuprocaine Hydrochloride Eye Drops. Emedastine Difumarate Eye Drops is primarily used for treating allergic conjunctivitis in adults and children aged 3 years and above while Oxybuprocaine Hydrochloride Eye Drops is primarily used for corneal surface anesthesia. The new additions will further enrich the Group’s ophthalmic product portfolio and strengthen its market positioning in ophthalmology.

In November 2025, the Group signed a memorandum of understanding for strategic collaboration with Suzhou Industrial Park Investment Promotion and Operation Co., Ltd. and China-Singapore (Suzhou) Life Science Industry Development Co., Ltd. to launch an International Innovation Accelerator. With Phase I of the China-Singapore Life Sciences Park (“Biosparc”) completed, Biosparc is poised to become a premier cross-border life sciences hub, driving global research, product development, clinical development and translational innovation. The Group aims to bolster its global innovation strategy and through this partnership, connect with international collaborators to accelerate research, clinical development and commercialisation efforts.

In December 2025, the Group established a strategic collaboration with Kenvue, a leader in consumer health, under which the Group will leverage its extensive commercial network to promote, educate and market selected Kenvue products, including Rhinocort® (Budesonide Nasal Spray), Motrin® (Ibuprofen Suspension/Drops), and Tylenol® (Paracetamol Drops/Suspension) which are widely recognised by healthcare professionals and patients for their reliability in the management of allergies, fever and cold symptoms. The collaboration is in line with the Group’s business strategy aiming at boosting its presence in the PRC healthcare market, leveraging its extensive commercial network and experience. By combining their expertise, the Group and Kenvue can effectively accelerate the awareness and commercial footprint of these products and better meet the clinical needs of more patients.

In January 2026, the Group entered into an exclusive distribution agreement with Osteopore International Pte Ltd (“Osteopore”) for Osteopore’s innovative dental, orthodontic, and maxillofacial products in the PRC, Hong Kong, and Macau. The collaboration with Osteopore establishes a milestone of the Group in the stomatology market and expands the range of the Group’s dental, orthodontic, and maxillofacial solutions, which will together benefit the Group in striving for sustainable growth in the PRC market.

In February 2026, the Group participated in the Asia-Pacific Academy of Ophthalmology Congress 2026 (the “Congress”). During the Congress, the Group hosted a dedicated booth showcasing key products and pipeline assets from its ophthalmology portfolio, and to engage with ophthalmologists, healthcare professionals, and industry partners across Asia-Pacific. The Group’s presence at the Congress underscored the Group’s dedication to advancing ophthalmic care through clinically proven, first-in-class and best-in-class therapeutic solutions, while strengthening collaboration with leading eye care institutions and professionals across the region.

## **INDUSTRY-SPECIFIC KEY PERFORMANCE INDICATORS**

The PRC’s pharmaceutical market is a behemoth, expected to reach US\$2.1 trillion by 2030, driven by an aging population, rising healthcare spending, and government support for innovation. Here are some key specifics:

- **Government support:** The PRC government is pushing for innovation, with initiatives like “Made in China 2025” and investments in biotech and Artificial Intelligence-designed drugs.
- **Growing demand:** Chronic diseases like cardiovascular conditions, diabetes, and cancer are fuelling demand for cutting-edge therapies.
- **Regulatory changes:** Streamlined approval processes and data exclusivity protections are attracting foreign investment.
- **Local players:** Domestic companies are rising, with PRC biopharma companies signing US\$135.7 billion in out-licensing deals in 2025.
- **Market segmentation:** Conventional drugs dominate, but biologics and biosimilars are growing rapidly.

### *Sources:*

1. The PRC’s drug and medical devices sector emerges as new economic growth – <https://www.scmp.com/business/china-business/article/3340333/chinas-drug-and-medical-device-sector-emerges-new-engine-economic-growth>
2. The PRC’s innovation in translation medicine: Rethinking early-stage clinical development – <https://www.nature.com/articles/s41587-025-02998-x>
3. The PRC deepens comprehensive reform to strengthen drug and medical device regulation – [https://english.nmpa.gov.cn/2025-01/06/c\\_1061967.htm](https://english.nmpa.gov.cn/2025-01/06/c_1061967.htm)

## HONOURS AND AWARDS OBTAINED IN 2025

珠海億勝生物製藥有限公司 (Zhuhai Essex Bio-Pharmaceutical Company Limited\*), a wholly-owned subsidiary of the Company, is one of the 2024年珠海市創新百強企業創新綜合實力100強 (2024 Top 100 Innovative Companies in Zhuhai\*) and 2024年珠海市創新百強企業經濟貢獻100強 (2024 Top 100 Companies with Economic Contributions in Zhuhai\*). It is also one of the 2024年度廣東省醫藥工業50強 (2024 Top 50 Pharmaceutical Companies in Guangdong Province\*), 2024年度廣東省生物製藥10強 (2024 Top 10 Biopharmaceutical Companies in Guangdong Province\*) and 2025年廣東省製造業企業500強 (2025 Top 500 Manufacturing Companies in Guangdong Province\*). It is also awarded 國家級製造業單項冠軍企業 (National Manufacturing Champion Enterprise\*).

In addition, the Company was awarded 2025「金鯤鵬」中國財經價值榜—最具投資價值上市公司 (2025 “Golden Kunpeng” China Financial Value Ranking – Most Valuable Listed Company for Investment\*), reflecting the capital market’s high recognition of our business model and growth potential.

## MARKET DEVELOPMENT

As at 31 December 2025, the Group operates an extensive network of 47 regional sales offices across the PRC and a strategic base in Singapore to facilitate market access into Southeast Asian countries.

To drive sustainable growth and expansion for our current and future products, the Group has been investing relentlessly in enhancing its competitiveness and broadening its reach through the following strategic initiatives:

- expanding the clinical indications for its commercialised products;
- increasing patient access in lower-tier cities across the PRC;
- developing complementary sales channels; and
- nurturing the healthtech e-platform to enhance patient access.

During the year under review, the vast distribution network enabled the Group’s therapeutic products to be prescribed in over 14,600 hospitals and medical providers, as well as approximately 2,600 pharmaceutical stores, covering major cities, provinces and county cities throughout the PRC.

## RESEARCH AND DEVELOPMENT

The R&D division is driven by a vision that underscores its commitment to science and innovation, with a mission to develop groundbreaking therapeutics that address unmet clinical and/or commercial needs. The Group launched a development plan in 2021, focusing on ophthalmology.

The Group’s key R&D initiatives comprise of growth factors, antibodies (i.e. mAb, bsAb, sdAb, scFv, ADC/FDC, etc.), drug formulation know-how and Blow-Fill-Seal (“BFS”) platform. Growth factors, antibodies and drug formulation know-how are used for the development of therapeutic drugs in ophthalmology, surgical (encompassing wound care and healing) and oncology, whereas the BFS platform is a state-of-the-art manufacturing facility for producing preservative-free unit-dose drugs, in particular for ophthalmic drugs.

One of the Group’s technology platforms is built on recombinant proteins, in particular, the basic fibroblast growth factor (bFGF). The Group has been able to capitalise on its biologic facility, built with its proprietary technique and know-how, delivering high-quality bFGF Series of biologics in the Ophthalmology and Surgical business segments that constituted the Group’s primary current growth driver. Strengthening the Group’s biologics-based R&D, the strategic investments in Antikor and alliance forged with Henlius are in furtherance of our R&D plans for biologics in oncology and in ophthalmology for wet-AMD, diabetic macular edema, macular edema caused by retinal vein occlusion and myopic choroidal neovascularisation for mid-term to long-term growth driver.

The establishment of the BFS platform formed part of the Group’s core competency to develop and produce a series of preservative-free unit-dose drugs. As at 31 December 2025, the Group has 6 commercialised preservative-free unit-dose eye drops. Several preservative-free unit-dose ophthalmic drugs are in development with targeted commercialisation within the next 2 to 5 years.

As at the date of this announcement, the Group has 18 R&D programmes in the pre-clinical to clinical stage, with several ophthalmology programmes in clinical stage which are shown in the table below:

Field	Subfield	Project Code	Indication	Discovery	Pre-Clinical	Chemistry, Manufacturing and Controls	Investigational New Drug	Phase I	Phase II	Phase III	New Drug Application/ Biologics License Application (“BLA”)	Regulatory	Remarks
Ophthalmology	Ocular surface	EB11-18136P	Dry eye disease	[Progress bar]								United States Food and Drug Administration (“US FDA”)	Phase III ongoing
		EB11-21148P	Dry eye disease	[Progress bar]								NMPA	Phase II complete
	Retina	EB12-20145P	Wet-AMD	[Progress bar]								NMPA	BLA submitted
		EB12-20145P	Wet-AMD	[Progress bar]								US FDA	Phase III complete

As at the date of this announcement, the Group has obtained a total of 121 patent certificates or authorisation letters, which include 91 發明專利 (invention patents), 15 實用新型專利 (utility model patents) and 15 外觀專利 (design patents).

The Group currently has multiple R&D sites located in Zhuhai (PRC), Boston (United States), London (United Kingdom) and Singapore. These sites support our efforts to develop new therapeutics and recruit global talent.

## **PRODUCTION CAPABILITY**

The Group's factory in Zhuhai is fully equipped with production plants for the production of rb-bFGF as active pharmaceutical substance for the Group's flagship biologic formulations. The state-of-the-art BFS production plants in the factory enables the production of preservative-free unit-dose drugs, including Beifushu® unit-dose eye drops.

## **CONSTRUCTION OF THE SECOND FACTORY IN THE PRC**

The second factory is being built on a piece of land of about 15,000 square metres located at 珠海高新區科技創新海岸 (Zhuhai Hi-Tech Industrial Park\*), with a gross floor area (GFA) of about 58,000 square metres to house the Group's R&D centre, additional manufacturing facility, administrative office and staff hostel. The second factory is within minutes of walking distance from the Group's existing factory.

As at the date of this announcement, the second factory's construction is substantially completed. The work was suspended between November 2021 and May 2025 due to legal dispute with the main contractor.

In May 2025, the final judgement was delivered and the main contractor was ordered by the court to pay approximately HK\$24.8 million to the Group in compensation for the breach of contract.

The main contractor was also ordered by the court to hand over the construction site back to the Group's control and that the Group is granted permission to proceed with the completion of the construction. The Group has since appointed a new main contractor, and the completion of the construction shall be in 2026 or 2027.

## **LITIGATION WITH 廣西萬壽堂藥業有限公司 (GUANGXI MEDICTOP PHARMACEUTICAL COMPANY LIMITED\*) (“GUANGXI MEDICTOP”)**

In July 2024, a subsidiary of the Company in the PRC received a legal summons from Guangxi Medictop, alleging breach of certain obligations under an agency agreement related to the exclusive sales of Guangxi Medictop’s 伊血安顆粒 (Yi Xue An Granules\*). The Group categorically denies these allegations and has vigorously defended its position. After two hearings in November 2024 and June 2025, the Guangxi Nanning Court delivered a judgement in July 2025, ordering the Group to pay approximately HK\$14.5 million to Guangxi Medictop in compensation. Both the Group and Guangxi Medictop have appealed the judgement.

In October 2024, the Group initiated counter legal proceedings against Guangxi Medictop, seeking repayment of outstanding amounts. A court order was obtained to freeze one of Guangxi Medictop’s bank accounts. Following a hearing in June 2025, the Zhuhai Xiangzhou Court delivered a judgement in July 2025, ordering Guangxi Medictop to repay approximately HK\$49.7 million to the Group. Guangxi Medictop has appealed the judgement.

In February 2026, the Group and Guangxi Medictop entered into a mediated settlement agreement. Under the agreement, Guangxi Medictop is required to repay approximately HK\$25.2 million, plus any accrued interest, to the Group. Both Guangxi Nanning Court and Zhuhai Xiangzhou Court ruled to dismiss the cases, sanctioning the mediated settlement agreement.

## FINANCIAL REVIEW

The pharmaceutical industry in the PRC experienced a significant shift in 2025. The negative impacts of tightened regulations and centralised procurement in previous years will gradually diminish, and a new round of policies and capital investment focused on supporting innovation, improving payment systems, and promoting globalisation will begin.

Here are some key developments supporting this trend:

The PRC's centralised procurement policy is shifting to support pharmaceutical companies, focusing on in-novation and quality. Recent changes include:

- **Expanded Coverage:** The 11th round of national volume-based procurement covered 55 drug varieties and 453 products from 272 companies.
- **Quality Assurance:** Priority given to manufacturers with broad clinical recognition and consistent quality records.
- **Innovation Incentives:** Policies encourage R&D investment in innovative drugs, first generics, and high-end generics.
- **Payment System Reforms:** Value-based pricing models and risk-sharing agreements are being explored.
- **Regulatory Support:** Streamlined approval processes and enhanced intellectual property protection.

These changes aim to promote innovation, improve quality, and increase access to affordable medicines.

### *Sources:*

1. The PRC unveils first-ever policy to boost high-quality development of pharmaceutical retail sector – [https://english.www.gov.cn/news/202601/22/content\\_WS6972298cc6d00ca5f9a08b99.html](https://english.www.gov.cn/news/202601/22/content_WS6972298cc6d00ca5f9a08b99.html)
2. The PRC unveils rules for 11th round of national centralised procurement drug procurement – <https://www.chinadaily.com.cn/a/202509/21/WS68cf94fda3108622abca1fba.html>
3. Drug centralised procurement in the PRC: Concerns and implication for drug quality and access – <https://law.stanford.edu/2025/02/18/drug-centralized-procurement-in-china-concerns-and-implications-for-drug-quality-and-access/>

To navigate these challenges, companies must strike a balance between cost control and quality assurance. Innovation remains the core driving force for the development of pharmaceutical companies. To stay competitive, companies should:

1. increase R&D investment to cultivate innovative talents and strengthen cooperation with public and private scientific research institutions and universities;
2. focus on technological innovation to develop products with independent intellectual property rights; and
3. explore new business models and operating methods to enhance innovation efficiency.

Pharmaceutical companies in the PRC face numerous challenges and opportunities. To thrive, they must adapt to the evolving market landscape, innovate proactively, and prioritise compliance management. By adopting strategies tailored to their unique characteristics and advantages, companies of all sizes can improve their competitiveness and contribute to the growth of the pharmaceutical industry.

Since 2024, the flagship biologics of the Group, Beifushu<sup>®</sup> series and Beifuji<sup>®</sup> series (the basic fibroblast growth factor (bFGF) based biologic drugs), have been subjected to the system of centralised procurement in all provinces in the PRC. Despite challenges, the team's tenacity and relentless efforts have enabled the Group's flagship biologics to expand indications and patient access, which enabled the Group to drive satisfactory performances amidst headwinds.

The revenue of the Group is chiefly derived from its operations in the PRC and denominated in Renminbi. For the year ended 31 December 2025, the Group achieved a consolidated turnover of approximately HK\$1,813.8 million, with an increase of 8.6% as compared to approximately HK\$1,669.8 million in 2024.

Correspondingly, the Group's profit increased by 3.5% to approximately HK\$318.1 million as compared to approximately HK\$307.2 million in 2024.

The Group's turnover is primarily made up of the ophthalmology segment ("Ophthalmology"), surgical (encompassing wound care and healing) segment ("Surgical"), and Healthcare and Partner Services segment. The core products that are current growth drivers under each segment are:

1. Ophthalmology – Beifushu® series (Beifushu® eye drops, Beifushu® eye gel and Beifushu® unit-dose eye drops), Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, Diquafosol Sodium Eye Drops, 適麗順® (Iodized Lecithin Capsules\*), Soft Hydrophilic Contact Lens and other medical devices for myopia control and prevention such as eye-protection lamp and Seewant defocus customised glasses;
2. Surgical (encompassing wound care and healing) – Beifuji® series (Beifuji® spray, Beifuji® lyophilised powder and Beifuxin® gel), Carisolv® dental caries removal gel, 伊血安顆粒 (Yi Xue An Granules\*), Portable Ultraviolet Phototherapy Devices, PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis and Osteopore's bioresorbable implants (Osteomesh® and Osteoplug®) for dental surgery in Singapore; and
3. Healthcare and Partner Services – 佻典醫生 (Dr. YaDian\*) oral care products, online and offline healthcare services and products, contract manufacturing organisation ("CMO")/contract development and manufacturing organisation ("CDMO") service and trades in equipment and parts.

The sectoral turnover of Ophthalmology, Surgical, and Healthcare and Partner Services is approximately 46.0%, 49.4% and 4.6% of the Group's turnover, respectively.

The combined turnover of the Group's flagship biologics, Beifushu® series and Beifuji® series (the basic fibroblast growth factor (bFGF) based biologic drugs), represented about 83.5% of the Group's total turnover, of which Beifushu® series and Beifuji® series accounted for 36.9% and 46.6% of the Group's turnover, respectively. The remaining 16.5% of the Group's turnover is mainly contributed by sales of Tobramycin Eye Drops, Levofloxacin Eye Drops, Sodium Hyaluronate Eye Drops, Moxifloxacin Hydrochloride Eye Drops, 適麗順® (Iodized Lecithin Capsules\*), Carisolv® dental caries removal gel, 佻典醫生 (Dr. YaDian\*) oral care products, 伊血安顆粒 (Yi Xue An Granules\*), PELNAC™ collagen-based artificial dermis, SCALGEN™ double-layered artificial dermis, online and offline healthcare services and products, CMO/CDMO service and trades in equipment and parts, collectively.

Composition of the Group's turnover for the years ended 31 December 2025 and 2024, respectively, is shown in the following table:

<i>Expressed in HK\$' million</i>	<b>2025</b>	2024
<b>Ophthalmology</b>	<b>835.0</b>	771.5
<b>Surgical</b>	<b>895.9</b>	879.9
<b>Healthcare and Partner Services</b>	<b>82.9</b>	18.4
<b>Total</b>	<b><u>1,813.8</u></b>	<u>1,669.8</u>

Ophthalmology contributed approximately HK\$835.0 million to the Group's turnover for the year ended 31 December 2025, representing an increase of 8.2% as compared to 2024. Surgical recorded a total turnover of approximately HK\$895.9 million for the year ended 31 December 2025, representing an increase of 1.8% as compared to 2024. Healthcare and Partner Services delivered a total turnover of approximately HK\$82.9 million for the year ended 31 December 2025, representing a significant increase of 350% as compared to 2024.

The distribution and selling expenses for the year under review were approximately HK\$984.2 million as compared to approximately HK\$934.2 million in 2024, representing an increase of 5.4%. Such expenses primarily consisted of remuneration, advertising costs, travelling and transportation costs, costs related to product training and marketing activities, etc. The increase was in line with the increase in turnover for the year ended 31 December 2025.

The administrative expenses for the year under review were approximately HK\$223.2 million as compared to approximately HK\$213.9 million in 2024. The increase in administrative expenses was mainly due to an increase in R&D expenses.

Total expenditures (inclusive of acquired intangible assets) incurred in R&D for the year ended 31 December 2025 were approximately HK\$177.2 million (2024: approximately HK\$156.6 million), representing 9.8% (2024: 9.4%) of the turnover, of which approximately HK\$139.3 million (2024: approximately HK\$131.6 million) were capitalised.

The Group had cash and cash equivalents of approximately HK\$782.7 million as at 31 December 2025 (2024: approximately HK\$557.2 million).

The Group's bank borrowings as at 31 December 2025 were approximately HK\$325.6 million (2024: approximately HK\$165.3 million), among which 20.0% was repayable within 1 year, 31.7% was repayable in more than 1 year but within 2 years and 48.3% was repayable in more than 2 years but within 5 years. Among the Group's bank borrowings as at 31 December 2025, 30.7% was denominated in Hong Kong Dollar and 69.3% was denominated in Renminbi. All of the Group's bank borrowings bear interest at floating rate. The interest rate of the Group's bank borrowings ranged from 2.4% to 4.5% per annum as at 31 December 2025. Please refer to the sub-section headed "Liquidity and Financial Resources" for details of banking facilities.

The total finance costs of the Group for the year ended 31 December 2025 were approximately HK\$7.8 million (2024: approximately HK\$6.1 million), including interest expenses on bank borrowings and lease liabilities amounting to approximately HK\$9.4 million (2024: approximately HK\$34.3 million) of which approximately HK\$1.6 million (2024: approximately HK\$28.2 million) was capitalised during the year under review.

## REPURCHASE OF SHARES

During the year under review, the Company repurchased 123,000 of its shares on The Stock Exchange of Hong Kong Limited and these shares were subsequently cancelled by the Company as at the date of this announcement. The total amount paid for the repurchases of HK\$325,270 was paid wholly out of retained profits of the Company. Details of those transactions are as follows:

Month	Number of shares repurchased	Price per share		Total price paid HK\$
		Highest HK\$	Lowest HK\$	
January 2025	53,000	2.80	2.68	145,970
February 2025	<u>70,000</u>	2.58	2.55	<u>179,300</u>
	<u><u>123,000</u></u>			<u><u>325,270</u></u>

The repurchase of the Company's shares was effected by the Directors, pursuant to the mandate granted by the shareholders of the Company to the Directors at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed in this announcement, as at 31 December 2025, the Group did not have any immediate plan for material investments or acquisition of material capital assets.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2025, the Group obtained banking facilities of approximately HK\$952.7 million, of which approximately HK\$389.8 million was utilised. Certain of the banking facilities were secured by the corporate guarantees provided by the Company and two of its subsidiaries.

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$782.7 million as compared to approximately HK\$557.2 million as at 31 December 2024. Among the cash and cash equivalents of the Group as at 31 December 2025, 68.5% was denominated in Renminbi, 2.0% was denominated in Hong Kong Dollar and 28.2% was denominated in US Dollar.

The Group monitors its capital structure on the basis of a gearing ratio which is defined as the ratio of total liabilities to total assets. The gearing ratio as at 31 December 2025 was 30.9% (2024: 28.8%).

The healthy liquidity position and working capital level together with the unutilised banking facilities are sufficient to meet the Group's capital commitments, as well as to support the Group's daily operations and bank loan repayments.

## **CHARGES ON GROUP ASSETS**

As at 31 December 2025, no asset (2024: no asset) was being pledged to secure the Group's banking facilities.

## **CAPITAL COMMITMENTS**

As at 31 December 2025, the Group had capital commitments which amounted to approximately HK\$203.8 million (2024: approximately HK\$317.2 million).

## **CONTINGENT LIABILITIES**

As at 31 December 2025, the Group did not have any significant contingent liabilities (2024: Nil).

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**

Save as disclosed in this announcement, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

## **SIGNIFICANT INVESTMENTS HELD**

Save as disclosed in this announcement, the Group did not hold any significant investments as at 31 December 2025.

## **FOREIGN EXCHANGE EXPOSURE**

It is the Group's policy to borrow and deposit cash in local currencies to minimise currency risk.

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong Dollar, Renminbi or US Dollar. The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange risks and therefore no hedging arrangements were made. So long as the linked exchange rate system in Hong Kong with US Dollar is maintained, it is expected that the Group will not be subject to any significant exchange risk. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements as appropriate.

## **TREASURY POLICY**

The Group generally financed its operations with internally generated cash flows, bank and other borrowings. The Group placed these resources into interest-bearing bank accounts opened with the PRC and Hong Kong banks and earned interests in accordance with the PRC and Hong Kong banks rates. Bank deposits were mainly denominated in Renminbi, Hong Kong Dollar and US Dollar.

## **EMPLOYEES**

As at 31 December 2025, the Group had a total of 1,289 full-time employees (2024: 1,450 full-time employees). The aggregate remuneration of the Group's employees, including that of the Directors, for the year under review and the preceding year amounted to approximately HK\$335.0 million and approximately HK\$335.4 million, respectively. The Group remunerates its employees based on their performance, experience and the prevailing industry practice. Share options and bonuses are also available to employees of the Group at the discretion of the Directors depending on the financial performance of the Group.

The remuneration of each executive Director has been determined with reference to the time commitment and responsibilities of each executive Director, and to the operating results of the Group and his/her performance in the relevant financial year.

## **DIVIDENDS**

An interim dividend of HK\$0.07 per ordinary share was paid on 23 September 2025. The Directors have recommended the payment of a final dividend of HK\$0.07 per ordinary share for the financial year ended 31 December 2025 to the shareholders of the Company whose names appear on the register of members of the Company on Wednesday, 3 June 2026. Subject to shareholders' approval, the final dividend will be payable on Friday, 12 June 2026.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 20 May 2026 to Tuesday, 26 May 2026 (both days inclusive) for ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting to be held on Tuesday, 26 May 2026. During this period, no transfer of shares will be registered. In order to be entitled to attend the aforesaid annual general meeting, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, 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 Tuesday, 19 May 2026. The record date will be Tuesday, 26 May 2026.

The register of members of the Company will be closed from Monday, 1 June 2026 to Wednesday, 3 June 2026 (both days inclusive) for ascertaining shareholders' entitlement to the proposed final dividend. No transfer of shares will be registered during this period. In order to be qualified for the proposed final dividend to be approved at the forthcoming annual general meeting to be held on Tuesday, 26 May 2026, all transfers of shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Hong Kong share registrar of the Company, 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 Friday, 29 May 2026. The record date will be Wednesday, 3 June 2026.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Save as disclosed in this announcement, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities (including sale of treasury shares) during the year under review. As at 31 December 2025, the Company did not hold any treasury shares.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the year under review.

## **EVENT AFTER THE REPORTING PERIOD**

The new value-added tax ("VAT") law in the PRC, announced on 30 January 2026 and effective retrospectively from 1 January 2026, alters the tax treatment for pharmaceutical wholesale enterprises selling ordinary biological products. Previously, these enterprises could choose a simplified tax rate of 3% but now face the standard tax rate of 13%, aligning with other pharmaceuticals. This change is expected to have impact on the Group's biologics business, particularly Beifushu® series and Beifuji® series.

For illustrative purposes, based on the Group's turnover for the year ended 31 December 2025, applying the new 13% VAT would result in an estimated turnover impact of approximately HK\$133 million and an estimated gross profit impact of approximately HK\$116 million.

It is expected that the new VAT will have a similar effective impact on the Group's turnover for the year ending 31 December 2026. This is because the Group cannot pass on the VAT increase to final customers since selling prices inclusive of VAT are fixed under the PRC's centralised procurement system and turnover is reported net of VAT. While a corresponding impact will apply to the Group's profit for the year ending 31 December 2026, the Group is proactively and systematically recalibrating operating and distribution costs to mitigate the impact without disrupting its focus on the Group's development plans.

Barring any other unforeseen circumstances, the Group remains committed to executing its plans and delivering progressive results.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's results for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this preliminary results announcement.

## **AUDIT COMMITTEE**

The audited consolidated financial statements of the Company for the year ended 31 December 2025 had been reviewed by the audit committee of the Board (the "Audit Committee") before they were duly approved by the Board under the recommendation of the Audit Committee.

On behalf of the Board  
**Essex Bio-Technology Limited**  
**Mr. Ngiam Mia Je Patrick**  
*Chairman*

Hong Kong  
23 March 2026

*Executive directors of the Company as at the date of this announcement are Mr. Ngiam Mia Je Patrick, Mr. Fang Haizhou, Mr. Ngiam Hian Leng Malcolm and Ms. Yau Lai Man. Independent non-executive directors of the Company as at the date of this announcement are Mr. Fung Chi Ying, Ms. Yeow Mee Mooi and Mr. Yan Man Sing Frankie.*

\* *For identification purpose only*