Company Code: 688177 **Company Abbreviation: Bio-Thera**

Bio-Thera Solutions, Ltd
2020 Annual Report

Janssen Biotech, Inc.
Exhibit 2018
Accord v. Janssen
IPR2026-00257
Ex. 2018-001

Important Notice

1. The Company's Board of Directors, Supervisory Board, all directors, supervisors, and senior management guarantee the truthfulness, accuracy, and completeness of the content in this annual report. They confirm there is no false record, misleading statement, or material omission, and they bear individual and joint legal liabilities.

2. Major Risk Notice

The Company has elaborated in detail in this report on factors such as the Company's lack of profitability, risks to core competitiveness, operational risks, and industry policy risks. Please refer to Section IV, "Discussion and Analysis of Operating Performance," subsection "2. Risk Factors" of this report. Investors are specifically reminded to pay attention to the following risks:

1. **Substantial Product Pipeline With Expected Need for Continued Large-Scale** R&D Investment in the Future

As of December 31, 2020, the Company's operating revenue was RMB 184.9899 million, and the net profit attributable to ordinary shareholders of the parent company was RMB -513.2265 million. Research and development expenses amounted to RMB 562.6546 million. For the foreseeable future, the Company expects to incur cumulative unrecovered losses and to continue operating at a loss. The Company will continue to require substantial R&D investment to advance preclinical studies, clinical trials, and pre-market preparations for pipeline projects, as well as to support the commercialization of marketed products. It is expected that the number of the Company's investigational drug projects will increase in the future, and more pipeline products will enter Phase III clinical trials. Therefore, it is anticipated that the Company will continue to incur significant R&D expenses. If R&D expenses exceed the profits generated by commercialized products, it will lead to continued losses for the Company, thereby having a material adverse impact on the Company's daily operations, financial condition, and other aspects.

2. **Drug R&D Risk**

To date, the Company has 1 product approved for marketing and 20 products in the pipeline. Among these, 2 products have submitted marketing applications, 3 are in Phase III clinical studies, 2 are in Phase II clinical studies, and 3 are in Phase I clinical studies. In November 2019, the Company's product QLETLI® (adalimumab injection) was approved for marketing, with sales commencing in January 2020. As of December 31, 2020, the Company has submitted marketing applications for the biosimilar BAT1706 and the innovative drug batifiban (BAT2094). Among the pipeline products in clinical trial stages, 3 are biosimilars and 5 are innovative drugs. Due to the high technical requirements, significant development difficulty, long R&D cycles, and high costs associated with the R&D of innovative drugs and biosimilars, the R&D process is often accompanied by substantial risk of failure.

3. **The Company Cannot Guarantee Regulatory Approval Of Its Submitted Drug Marketing Applications**

As of December 31, 2020, the Company's product QLETLI® (adalimumab injection) has been approved for marketing, and sales have begun. If the Company's pipeline drugs fail to obtain marketing approval, or if such approvals include significant restrictions, the Company's target markets may shrink, and the market potential of the pipeline drugs may be diminished.

4. **Risk of Failure to Commercialize Drugs**

The Company cannot guarantee that its pipeline products will obtain marketing approval. Even if the pipeline drugs are approved in the future and gain market acceptance, the commercial prospects of these products remain uncertain, and commercialization may not meet expectations in terms of timing or effectiveness.

In January 2020, the Company's product QLETLI® was officially launched for sale. As of December 31, 2020, the Company's operating revenue was RMB 184.9899 million. Following successful drug development, processes such as market development and academic promotion will impact the final product sales performance. If the Company's approved drugs fail to gain acceptance among physicians, patients, hospitals, or other stakeholders in the medical and healthcare fields, it will adversely affect the Company's ability to successfully commercialize and achieve economic benefits. The pharmaceutical market in which the Company operates is highly competitive. Even if the Company's pipeline drugs are approved in the future and gain market acceptance, the emergence of new products that are more acceptable to the market and offer greater cost-effectiveness advantages could lead to poor sales of the Company's marketed products, failing to meet sales expectations.

As the Company progresses in R&D and product commercialization, it will need to establish a more comprehensive and integrated marketing team to conduct market development activities such as academic promotion and sales support services. If the Company fails to meet expectations in recruiting, hiring, or training its marketing team, or if there is significant turnover among marketing personnel, it will adversely affect the Company's future commercialization capabilities, thereby negatively impacting its business, financial condition, and operating performance.

5. Company Cannot Guarantee Profitability In The Next Few Years And May Face Delisting Risks After Listing

The Company will have continued large-scale R&D investment in the coming years, and its unprofitable status is expected to persist after listing, with cumulative unrecovered losses potentially continuing to expand. If, by the 4th full fiscal year after listing, the Company triggers the financial conditions specified in Article 12.4.2 of the “Shanghai Stock Exchange Sci-Tech Innovation Board Listing Rules”—namely, if the audited net profit before and after deducting non-recurring gains and losses (including retrospective restatements) is negative and operating revenue (including retrospective restatements) is below RMB 100 million, or if the audited net assets at the end of the period (including retrospective restatements) are negative—it may lead to the Company triggering delisting conditions. Although the Company anticipates a low likelihood of continued unprofitability over the next 4 full fiscal years, as of December 31, 2020, the Company's product QLETLI® (adalimumab injection) has been approved for marketing and sales have begun. Marketing applications have been submitted for the biosimilar BAT1706 and the innovative drug batifiban (BAT2094), while other products remain in the drug development stage. The Company's unprofitable status may persist or cumulative unrecovered losses may continue to expand, potentially leading to the triggering of delisting conditions. According to the "Measures for the Continuous Regulation of Companies Listed on the Sci-Tech Innovation Board (Trial)", if the Company meets the termination of listing criteria, its shares will be directly delisted without applying suspension, resumption, or relisting procedures.

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

4. The audit report issued by Ernst & Young Certified Public Accountants (Special General Partnership) for our company is a standard unqualified audit report.

5. Yi Xianzhong, the person in charge of the Company, Zhan Xianhong, the person in charge of accounting work, and Shi Lihua, the person in charge of the accounting establishment (chief accounting officer), declare: They guarantee the truthfulness, accuracy, and completeness of the financial report in this annual report.

6. Profit Distribution Plan or Capital Reserve to Share Capital Conversion Plan for the Reporting Period Reviewed by the Board of Directors

The Company's 2020 annual profit distribution plan is as follows: No cash dividends will be distributed, no bonus shares will be issued, and no capital reserve will be converted into share capital. The above profit distribution plan has been reviewed and approved by the Company's First Board of Directors at its Twenty-Third Meeting and is pending approval by the Company's General Shareholders Meeting.

7. Existence of important matters such as special arrangements for corporate governance

□ Applicable √ Not Applicable

8. Risk Statement Regarding Forward-Looking Statements

√ Applicable □ Not Applicable

The forward-looking statements concerning the Company's future plans, development strategies, etc., contained in this report do not constitute substantive commitments to investors by the Company. Investors are advised to pay attention to investment risks.

9. Existence of non-operating fund occupation by the controlling shareholder and other related parties

10. Existence of external guarantees provided in violation of prescribed decision-making procedures No

11. Existence of more than half of the directors being unable to guarantee the truthfulness, accuracy, and completeness of the disclosed annual report No

12. Others

□ Applicable √ Not Applicable

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4. Pipeline Project Status

√ Applicable □ Not Applicable

Unit: Thousand RMB

S/N	Item Name	Estimated Total Investment Scale	Amount Invested in Current Period	Cumulative Amount Invested	Progress or Interim Results	Targeted Goals	Technical Level	Specific Application Prospects
1	BAT2094	8,390.30	759.55	8,122.75	Marketing Application Submitted	Drug Marketing	BAT2094 (bativefban) is a synthetically produced platelet glycoprotein IIb/IIIa (GP IIb/IIIa) receptor antagonist. BAT2094 is used for perioperative antithrombosis during PCI, and its clinical dosage form is an injection for intravenous administration. BAT2094 is a Class 1.1 chemical drug independently developed by the Company with proprietary intellectual property.	Indication: Prevention of thrombosis induced by platelet aggregation in ACS patients undergoing PCI.
2	BAT1706	67,711.29	15,803.61	62,494.38	Marketing Application Submitted	Drug Marketing	BAT1706 is a bevacizumab injection developed by Bio-Thera in accordance with the biosimilar-related guidelines of China's NMPA, the US FDA, and the EU EMA. Its indications include advanced, metastatic, or recurrent non-small cell lung cancer and metastatic colorectal cancer. It is a humanized monoclonal antibody targeting vascular endothelial growth factor (VEGF). The domestic marketing application has currently been accepted.	Indications: mCRC, nsNSCLC
3	BAT1806	41,893.84	9,479.18	32,989.04	Clinical Phase III	Drug Marketing	This target is applicable for exclusive indications such as juvenile idiopathic arthritis, CAR-T-related cytokine release syndrome, and giant cell arteritis (GCA).	Indication: RA
4	BAT2506	15,813.49	2,892.05	6,652.49	Clinical Phase III	Drug Marketing	BAT2506 is a biosimilar of golimumab (SIMPONI®) developed by Bio-Thera based on the research of Xian Janssen Pharmaceutical Ltd. Golimumab is an antibody targeting TNF-α, capable of specifically binding with high affinity to both soluble and	Indication: PsA

							transmembrane human TNF-α, blocking the binding of TNF-α to its receptor TNFR, thereby inhibiting TNF-α activity.	
5	BAT8001	24,651.85	3,059.97	22,555.36	Clinical Phase III	Drug Marketing	BAT8001 is a domestically developed trastuzumab conjugate drug that has entered Phase III clinical trials in China.	Indication: HER2-positive mBC, HER2-positive solid tumors
6	BAT2206	24,087.21	5,112.11	7,883.14	Clinical Phase III	Drug Marketing	BAT2206 aims to interfere with the triggering of the human inflammatory response by inhibiting several cytokines. It is designed to block interleukins IL-12 and IL-23, thereby helping to activate certain T cells. It is expected to bind to the p-40 subunit of IL-12 and IL-23, preventing them from subsequently binding to their receptors. AT2206 is currently in Phase I clinical trials.	Indication: Plaque psoriasis
7	BAT1306	5,952.66	338.19	5,197.45	Clinical Phase II	Drug Marketing	BAT1306 is a monoclonal antibody targeting the immune checkpoint PD-1 developed by Bio-Thera. PD-1/PD-L1 immunotherapy is a highly regarded new class of tumor immunotherapy aimed at utilizing the body's own immune system to fight cancer. By blocking the PD-1/PD-L1 signaling pathway's immunosuppressive function on T cells, it activates T cells' ability to kill cancer cells, holding potential for treating various types of tumors.	Indication: EBVaGC
8	BAT4306F	24,654.52	598.63	3,399.27	Clinical Phase II	Drug Marketing	BAT4306F is a next-generation glycan-modified ADCC-enhanced anti-CD20 monoclonal antibody developed by Bio-Thera. Its initially developed clinical indication is relapsed/refractory CD20-positive B-cell non-Hodgkin lymphoma. BAT4306F differs from the currently marketed anti-CD20 antibody rituximab in its epitope and can directly induce B-cell apoptosis. Modifications to the antibody's glycosylation	Indication: Refractory/Relapsed CD20-positive B-cell NHL

							further enhance the ADCC effect of BAT4306F.	
9	BAT5906	18,864.19	1,137.23	5,037.25	Clinical Phase II	Drug Marketing	Pharmaceutical and pharmacological/toxicological studies indicate that BAT5906 is a next-generation antibody drug with pharmacokinetic, safety, and pharmacodynamic advantages, showing good development prospects. Preclinical studies show BAT5906 has high affinity. In vivo pharmacodynamic test results indicate that BAT5906 inhibits ocular angiogenesis in monkeys more effectively than the marketed drug ranibizumab.	Indications: wAMD , DME
10	BAT4406F	4,850.04	356.43	1,826.89	Clinical Phase I	Drug Marketing	BAT4406F is a next-generation glyco-optimized fully human anti-CD20 antibody developed by Bio-Thera. Its indication is autoimmune diseases such as neuromyelitis optica spectrum disorders. The mechanism of action of BAT4406F is to specifically bind to the CD20 molecule on the surface of B cells and precursor cells. Through the antibody's Fc region, in the presence of complement, NK natural killer cells, phagocytes, etc., it induces biological effects such as ADCC and CDC (complement-dependent cytotoxicity), thereby achieving the goal of eliminating B cells.	Indication: NMOSD
11	BAT8003	60,261.69	716.74	6,156.50	Clinical Phase I	Drug Marketing	In preclinical evaluations, BAT8003 demonstrated good therapeutic effects on both Trop2-positive breast cancer and gastric cancer. BAT8003 has submitted multiple patent applications to China, the US, WIPO (World Intellectual Property Organization), among others. The Batansine developed by the Company has obtained multiple patent authorizations in the US, China, and other countries.	Indication: Trop2-positive advanced epithelial carcinoma
12	BAT1308	8,878.70	388.62	1,727.59	Clinical Phase I	Drug Marketing	BAT1308 Injection is a monoclonal antibody drug independently developed by Bio-Thera. Its active ingredient is an antibody	Indication: solid tumors

							targeting human programmed cell death protein-1 (PD-1) expressed by Chinese hamster ovary cells. It belongs to the immunoglobulin IgG4κ subtype and can specifically bind with high affinity to human PD-1, thereby blocking the interaction between PD-1 and its ligands PD-L1 and PD-L2. BAT1308 can bind to PD-1 on the surface of T cells, relieving the inhibitory effect of the PD-1 pathway on T cells, thereby restoring and enhancing the immune-killing function of T cells and inhibiting tumor growth.	
13	BAT1006	13,169.00	705.76	1,619.82	Clinical Phase I	Drug Marketing	BAT1006 Injection is a monoclonal antibody drug independently developed by Bio-Thera. Its active ingredient is an antibody targeting human epidermal growth factor receptor-2 (HER2) expressed by Chinese hamster ovary cells. It belongs to the immunoglobulin IgG1κ subtype and can specifically bind with high affinity to the extracellular protein domain II of human HER2, blocking the heterodimerization of HER2 with other HER family receptors (EGFR/HER3/HER4), and inhibiting the proliferation and survival of tumor cells related to HER2 receptor activity. The antibody glycosylation modification of BAT1006 lacks fucose. Compared to ordinary IgG1κ antibodies, it has a stronger effect in recruiting immune cells like NK cells to kill tumor cells.	Indication: HER2-positive solid tumors
Total		319,178.78	41,348.07	165,661.93				

Note*: On February 09, 2021, the Company published the "Bio-Thera Announcement Regarding Termination of BAT8001 Clinical Trials" on the Shanghai Stock Exchange website (www.sse.com.cn). On March 05, 2021, the Company published the "Bio-Thera Announcement Regarding Termination of BAT8003 and BAT1306 Clinical Trials" on the Shanghai Stock Exchange website (www.sse.com.cn).

As of December 31, 2020, the information collected by the Company did not reflect the above circumstances. The termination of clinical trials for BAT8001, BAT8003, and BAT1306 will not have a material impact on the Company's investment and pipeline layout for innovative drugs. The Company will continue to advance the research and development of other existing pipeline candidates.

Among these: Overseas assets: 819,838.61 (Unit: Yuan; currency: RMB), accounting for 0.03% of total assets.

Note 1: For the current reporting period, the ending balance of cash and cash equivalents increased by 625.57% year-on-year, primarily due to the funds raised from the Company's initial public offering in February 2020.

Note 2: For the current reporting period, the balance of financial assets at fair value through profit or loss increased by RMB 955,769,021.30 compared to the previous year, mainly due to the purchase of structured deposits with the funds raised from the initial public offering.

Note 3: For the current reporting period, the accounts receivable balance increased by RMB 55,410,607.11 compared to the previous period, primarily due to the commercial launch and sales of the Company's product QLETLI® during this reporting period.

Note 4: For the current reporting period, the balance of other receivables increased by 218.70% year-on-year, mainly due to an increase in housing rental deposits and prepaid insurance premiums during this period.

Note 5: For the current reporting period, the balance of other current assets increased by 100.90% year-on-year, mainly due to newly added deductible input value-added tax credits expected to be utilized within the next 12 months.

Note 6: For the current reporting period, the balance of construction in progress increased by 77.75% year-on-year, mainly due to newly added production line equipment under construction during this period.

Note 7: For the current reporting period, the balance of other non-current assets decreased by 39.16% year-on-year, mainly due to the transfer of prepayments for production line equipment to construction in progress upon delivery, and the transfer of deductible input value-added tax credits expected to be utilized within 1 year to other current assets.

III. Analysis of Core Competitiveness During the Reporting Period

(I) Analysis of Core Competitiveness

√ Applicable □ Not Applicable

Fully Integrated End-to-End Platform, Rich R&D Pipeline Reserve, Solid Foundation for Sustainable Future Development

The Company is a research-driven biopharmaceutical company with considerable practical experience in drug development, regulatory approval, and commercialization. The Company aims to provide high-quality and affordable innovative biologics and biosimilars to patients worldwide for the treatment of cancer, autoimmune diseases, and other major or life-threatening diseases. To date, the Company has 1 product approved for marketing and 20 products in the pipeline, including:

QLETLI® (adalimumab): The first commercially approved product in China and the first adalimumab biosimilar in China. As of December 31, 2020, the approved indications for QLETLI® are ankylosing spondylitis, rheumatoid arthritis, psoriasis, Crohn's disease, and uveitis. The Company commenced commercial sales of QLETLI® in January 2020.

BAT1706 (bevacizumab): Currently in the marketing application stage in China, the US, and the EU. It is the first Avastin candidate biosimilar developed by a Chinese company with global multi-center clinical trials. The originator drug Avastin has been one of the top ten best-selling drugs globally for 11 consecutive years since 2009, with global sales revenue of approximately USD 7.1 billion since its launch in 2009. Avastin is approved for seven indications in the US, six indications in Europe, and two indications in China. The Company has submitted Marketing Authorization Applications for BAT1706 to China's National Medical Products Administration (NMPA), the US Food and Drug Administration (FDA), and the European Medicines Agency (EMA). During the reporting period, the Company entered into commercial collaborations for BAT1706 with BeOne Medicines, Brazil's Biomm, and overseas Cipla Limited to expand its global market share.

BAT1806 (tocilizumab): The first Actemra candidate biosimilar in China undergoing global Phase III clinical trial development.

Actemra is approved for two indications in China: rheumatoid arthritis and systemic juvenile idiopathic arthritis.

BAT2506 (golimumab): Currently in Phase III clinical trials. It is the first Simponi candidate biosimilar globally. Golimumab targets and inhibits TNF-α activity and is suitable for patients with immune diseases such as ankylosing spondylitis and rheumatoid arthritis. While adalimumab is a popular treatment currently on the market, some patients may develop anti-drug antibodies (ADA) leading to treatment failure. Therefore, golimumab can provide a new treatment option for patients and physicians, with the indication market having certain growth potential.

BAT2094 (batifiban): Currently in the domestic marketing application stage. It is a small molecule GPIIb/IIIa antagonist candidate drug, indicated for the prevention of thrombosis induced by platelet aggregation in ACS patients undergoing PCI.

The First Approved and Commercialized Adalimumab Biosimilar in China—QLETLI

The Company's first commercial product, QLETLI®, is the first adalimumab biosimilar approved in China. In 2018, Humira had not yet been included in the National Reimbursement Drug List, with a unit price of RMB 7,586 per injection and an annual treatment cost of approximately RMB 200,000. The high treatment cost imposed a significant financial burden on most patients. AbbVie successively reduced the retail price of Humira twice in 2019 to RMB 1,290 per 40mg, and adalimumab was included in Category B of the National Reimbursement Drug List. The market awareness and penetration rate of adalimumab are expected to increase significantly.

As the first approved adalimumab biosimilar, QLETLI® is well-positioned to capture market share with its more affordable price compared to Humira and its first-mover advantage among competing biosimilars. Leveraging years of experience in conducting clinical development for QLETLI® and other candidate drugs across over 100 clinical trial sites in China (most of which are top-tier hospitals), recognition from hospitals and experts will help boost QLETLI®'s sales and facilitate the commercialization of other candidate drugs. As of December 31, 2020, the Company has established a sales team of over 250 people, with operations spanning multiple provinces, municipalities, and autonomous regions in China, covering hundreds of hospitals and pharmacies.

Currently, 60% of hospitals in China still lack independent rheumatology departments. According to the "Basic Standards for Rheumatology and Immunology Departments in General Hospitals (Trial)" issued by the National Health Commission, the number of rheumatology and immunology departments is expected to increase further in the future, leading to a relative improvement in patient diagnosis rates, which will effectively expand the adalimumab market. QLETLI® was officially launched for sale in January 2020, generating a total operating revenue of RMB 184.9899 million in 2020.

Large-Scale Production Capability and Strict Quality Management System Operating to Global Standards

The Company's antibody industrial park is located in the Yonghe Development Zone, Guangzhou, with a planned land area of 37,837 square meters. Completed and operational facilities include: 2 lines of 3,500L stainless steel bioreactors with supporting downstream purification lines; 3 units of 500L single-use bioreactors with supporting downstream purification lines; 1 line of 200L antibody-drug conjugate (ADC) reaction vessels with supporting isolator systems and purification lines; 1 line of vial sterile injection washing, drying, filling, and sealing integrated production line; 1 line of pre-filled syringe filling line; and 1 line of fully isolated ADC formulation lyophilization production line. During the reporting period, the Company continued to expand its monoclonal antibody drug substance production capacity. The construction of equipment for new production lines is currently completed, with 3 units of 2,000L projects finished and ready for production, and 4 units of 4,000L stainless steel bioreactors in the debugging and acceptance phase.

In accordance with domestic and international guidelines and regulations from China, the US, Europe, and others, the Company has established

a quality system (GXP system, from GLP to GMP) covering the entire drug lifecycle from early-stage research, preclinical development, clinical trials, to commercial production, along with a quality management system compliant with international standards.

The Company benchmarks its Good Manufacturing Practice (GMP) requirements against international advanced levels, producing monoclonal antibody drugs that meet regulatory production requirements including, but not limited to, those of China, Europe, and the US. The Company has obtained a monoclonal antibody drug production license issued by the NMPA. Its production quality management system has also passed multiple on-site production audits conducted by the Guangdong Provincial Food and Drug Administration, EU Qualified Persons, and commercial partners.

The Company has established clinical trial collaborations with over 300 hospitals or departments globally. It has also established stable partnerships with leading comprehensive CRO companies, bioanalytical laboratories, pharmaceutical procurement and logistics providers, data collection and imaging evaluation software system suppliers, possessing the resources and network system to conduct multiple large-scale clinical trials simultaneously. Furthermore, strong support from preclinical research, regulatory affairs, and marketing departments ensures the efficient advancement of clinical development.

Comprehensive Antibody Development Technologies and Capabilities

The Company has developed comprehensive research and development technologies for antibody drug development, covering the entire development process from antibody discovery and screening to design, process development, and process validation, applicable to various antibody formats, including mAbs and bispecific antibodies. These technologies complement each other, providing the Company with flexibility and compatibility to precisely design and develop a series of outstanding and suitable antibody candidates in a cost-effective manner. The Company's core technologies include:

• Phage Display Fully Human Antibody Library: Containing hundreds of millions of unique clones, in terms of absolute quantity and functionality, this provides the Company with one of the most diverse antibody libraries in the industry, enabling the development of candidate drugs including more stable bispecific antibodies to generate specific antibodies against desired protein targets,

with higher success rates even for novel targets or unique epitopes.

• Yeast Display Library: This is the Company's core technology for discovering and producing fully humanized antibodies or functional domains. Leveraging the eukaryotic characteristics of yeast for complex post-translational modifications of proteins, the Company can generate antibodies with high specificity and stability from the rich repertoire of humanized antibodies in the yeast display library.

• Antibody Structure Design Platform: The Company has utilized this platform to design and develop a set of integrated computational methods to meet the intensive computational needs in antibody research and development. The Company applies precise calculations to processes such as antibody humanization, affinity maturation, and other multifunctional antibody modifications. Most of the Company's innovative candidate drugs have been validated by precise calculations under this antibody structure design platform. Immunogenicity Prediction Technology: Recently developed, this technology combines antibody sequence and structural analysis to identify and address potential flaws early in the development process, allowing the Company to focus on molecules with greater potential to become clinically active, cost-effective, and commercially valuable drugs.

• ADCC Enhancement Platform: Primarily includes Fc region glycoengineering technology. The resulting antibodies can be completely devoid of fucose modifications, thereby increasing affinity for the major Fc receptor FcγRIIIa (CD16) associated with ADCC effects in humans. Afucosylated monoclonal antibodies enhance the potency and efficacy of therapeutic antibodies through ADCC, which is one of the primary mechanisms of therapeutic antibodies in cancer treatment.

Furthermore, the Company has formulated its own proprietary cell culture media and has developed and classified cell culture processes for antibody production for non-clinical, clinical, and commercial purposes. Serum-free, chemically defined media enable the Company to adjust components according to product requirements and improve the productivity and quality of antibody production. In addition, the company uses self-developed media to improve cost-effectiveness and reduce dependence on suppliers.

Experienced Management Team Composed of Strong R&D Experts and Senior Industry Professionals

The Company possesses an international technical team with diverse backgrounds, international perspectives, and over twenty years of extensive experience in the overseas pharmaceutical industry. The team has solid professional knowledge and diverse skill sets covering R&D, clinical, regulatory, production, quality management, intellectual property, capital operations, and corporate management. Core team members have previously worked at globally renowned research establishments and leading international pharmaceutical companies. As of December 31, 2020, the Company has a total of 268 R&D personnel.

Dr. LI SHENGFENG (Li Shengfeng), the Company's Director and General Manager, has played a significant role in the Company's rapid development. With over 25 years of experience accumulated in the biotech industry, he has been recognized as a "Leading Talent Introduced to Guangdong Province" and a "Guangzhou City Innovation and Entrepreneurship Leading Talent."

Dr. YUJIN-CHEN (Yu Jinquan), the Company's Director and Deputy General Manager, is a senior expert in the field of tumor biology, with over 20 years of experience in cancer basic research and drug development. In 2013, he was selected as a member of the innovation and entrepreneurship team under the "Guangdong Province Pearl River Talent Plan." Other key members of the management team also possess strong professional backgrounds.

Dr. HUANG XIANMING, the Company's Director and Deputy General Manager, served successively as a mentor and assistant professor at the University of Texas Southwestern Medical Center (UTSW). From 1994 to 1997, Dr. Huang conducted postdoctoral research in oncology at UTSW and obtained his medical doctorate from the Chinese Peking Union Medical College (now Peking Union Medical College) in 1994. Dr. Huang Xianming has 25 years of R&D experience in the biopharmaceutical industry.

Dr. LIU CUIHUA, the Company's Deputy General Manager, is familiar with US biologics regulations and FDA registration requirements, and has extensive experience in the development, quality control, quality testing, and registration applications for new biologics and generic drugs. In 2018 and 2019, she was honored as a "Guangzhou City Industry Leading Talent (Head of Innovation Leading Team)," the primary core member of the "Pearl River Talent Plan" innovation and entrepreneurship team, and an Elite Talent of Guangzhou Development District.

Bert E. Thomas IV, the Company's Deputy General Manager, has over 25 years of experience in the healthcare field, specializing in drug development, business expansion and out-licensing, strategic alliances, etc.

Dr. MU LAN, the Company's Deputy General Manager, has over 20 years of experience in global clinical development and commercialization of pharmaceutical products for various indications. She has authored training materials and delivered lectures for the Regulatory Affairs Professionals Society (RAPS), published multiple articles in internationally renowned journals, led global regulatory registration teams, formulated and implemented international registration strategies, and negotiated with international health regulatory authorities for global registration submissions.

Wu Xiaoyun, Chairman of the Supervisory Board and Senior Director, has been recognized as a "Guangzhou City Young Reserve Talent" and an Elite Talent of Guangzhou Development District, with over 10 years of pharmaceutical research experience. Tang Weijia, Supervisor and Director of the R&D Department, has been recognized as a "Guangzhou City Industry Urgently Needed Talent" and is the primary inventor of several innovative ADC candidates under development. Bao Cai, Supervisor and Senior Director of Production Operations, has been recognized as a "Core Talent and

Urgently Needed Talent of Guangzhou Development District" and has participated in several national major new drug creation projects and Guangzhou City technological innovation projects.

(II) Analysis of Events During the Reporting Period that Seriously Affected the Company's Core Competitiveness, Impact Analysis, and Response Measures

□ Applicable √ Not Applicable

IV. Main Operating Performance During the Reporting Period

During the reporting period, the Company achieved operating revenue of RMB 184,989,902.44, primarily due to the sales of the Company's product QLETLI® commencing in 2020, generating sales revenue of RMB 182,863,591.27 during the reporting period, along with a small amount of incidental technology transfer income. The Company achieved a net profit attributable to the owners of the parent company of RMB -513,226,538.86 for the full year, reducing losses by RMB 509,395,287.60 compared to the same period last year. At the end of 2020, the Company's total assets were RMB 2,393,159,821.09, an increase of 135.93% compared to the beginning of the period; the owners' equity attributable to listed company shareholders was RMB 2,005,603,082.84, an increase of 218.01% compared to the beginning of the period.

(I) Analysis of Main Business Operations

1. **Analysis Table of Changes in Related Items of the Income Statement and Cash Flow Statement**

Unit:Yuan Currency:RMB

Item	Amount for Current Period	Amount for Same Period Last Year	Change Percentage (%)
Operating Revenue	184,989,902.44	700,000.00	26,327.13
Operating Cost	19,915,682.65	127,750.00	15,489.58
Selling Expenses	107,745,973.75	15,424,835.75	598.52
Administrative Expenses	55,725,254.81	385,946,116.17	-85.56
R&D Expenses	562,654,592.96	636,511,058.15	-11.60
Financial Cost	-2,688,207.83	-981,281.91	Not Applicable
Net Cash Flow from Operating Activities	-358,036,787.87	-597,975,664.90	Not Applicable
Net Cash Flow from Investing Activities	-1,177,451,223.70	-74,805,751.44	Not Applicable
Net Cash Flow from Financing Activities	1,779,820,383.49	599,326,979.67	196.97

2. **Analysis of Revenue and Cost**

√ Applicable □ Not Applicable

In 2020, the Company focused on the pharmaceutical industry, strictly controlled quality, and strengthened cost management. The Company achieved sales revenue of RMB 182,863,591.27 for the full year, with a sales gross profit margin of 89.11%..

(1). Breakdown of Main Business Operations by Industry, Product, and Region

Unit:Yuan Currency:RMB

Breakdown of Main Business Operations by Industry						
Industry	Operating Revenue	Operating Cost	Gross Profit Margin (%)	Change in Operating Revenue Compared to Previous Year (%)	Change in Operating Cost Compared to Previous Year (%)	Change in Gross Profit Margin Compared to Previous Year (%)
Pharmaceutical Manufacturing	182,863,591.27	19,915,682.65	89.11	Not Applicable	Not Applicable	Not Applicable
Breakdown of Main Business Operations by Product						
Product	Operating Revenue	Operating Cost	Gross Profit Margin (%)	Change in Operating Revenue Compared to Previous Year (%)	Change in Operating Cost Compared to Previous Year (%)	Change in Gross Profit Margin Compared to Previous Year (%)
Adalimumab	182,863,591.27	19,915,682.65	89.11	Not Applicable	Not Applicable	Not Applicable

Analysis of Operating Information for the Pharmaceutical Manufacturing Industry

1. Industry and Major Pharmaceutical Product Overview

(1). Industry Overview

√ Applicable □ Not Applicable

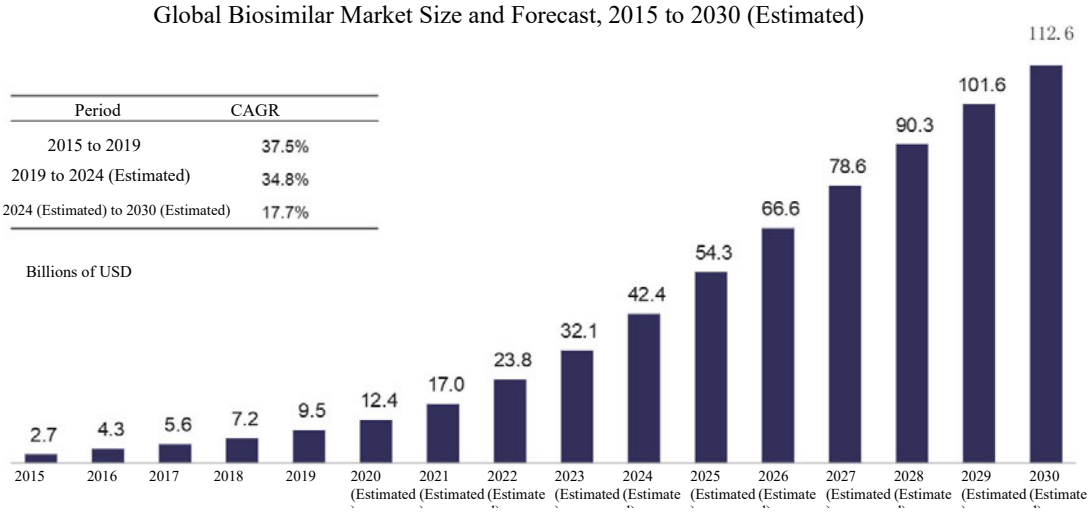
Overview of the Biologics Market

Unlike chemical drugs (chemically synthesized small molecules), biologics are large molecules derived from various natural sources or produced through biotechnological methods. Biologics encompass a wide range of products, including antibodies (e.g., mAbs and BsAbs), recombinant proteins, vaccines, and other emerging categories. Due to superior efficacy in treating various diseases, increased R&D investment, significant advancements in biotechnology, and improved patient affordability, the global biologics market is expected to continue growing. Measured by sales revenue, the market increased from USD 204.8 billion in 2015 to USD 286.4 billion in 2019 at a compound annual growth rate (CAGR) of 8.7%, and is projected to grow from USD 286.4 billion in 2019 to USD 768 billion in 2030 at a CAGR of 9.4%. In China, measured by sales revenue, the biologics market size increased from RMB 145.3 billion in 2015 to RMB 312 billion in 2019 at a CAGR of 21.1%, and is projected to grow from RMB 312 billion in 2019 to RMB 1,302.9 billion in 2030 at a CAGR of 13.9%. The following table details the sales revenue ranking of the top ten bestselling biologics globally in 2019.

Overview of the Global Biosimilar Market

Biosimilars are therapeutic biological products that are similar to the already approved originator drug (reference drug) in terms of quality, safety, and efficacy. The global biosimilar market's sales revenue is expected to increase from USD 9.5 billion in 2019 to USD 42.4 billion in 2024 at a CAGR of 34.8%, and further increase from the 2024 level to USD 112.6 billion in 2030 at a CAGR of 17.7%, as detailed in the following table:

Global Biosimilar Market Size and Forecast, 2015 to 2030 (Estimated)

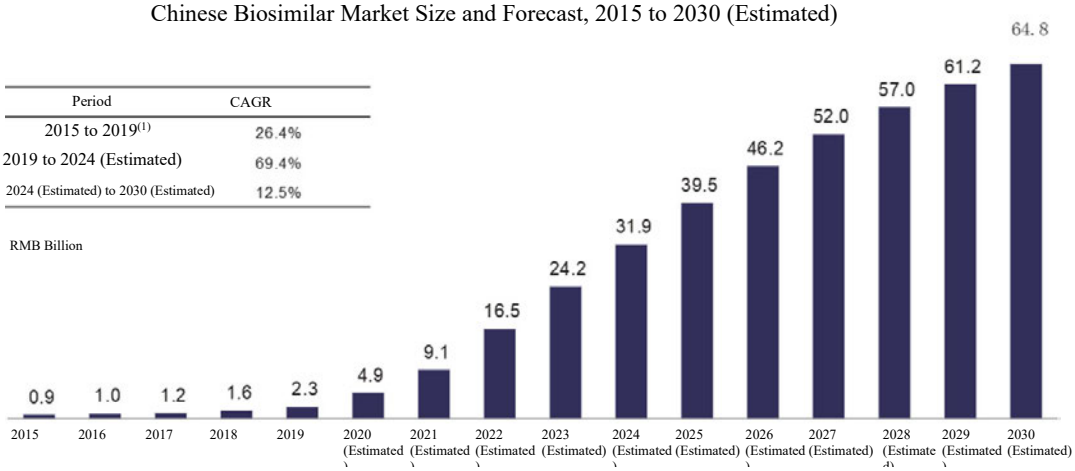


Data Source: Frost & Sullivan Report

Overview of the Chinese Biosimilar Market

Although the regulatory approval pathway for biosimilars in China was only established following the recent release of the "Technical Guidelines for the Development and Evaluation of Biosimilars," the Chinese biosimilar market is growing rapidly. In June 2020, the "Measures for the Administration of Drug Registration (2020)" and the "Requirements for Registration Classification and Application Materials for Biological Products" further defined the classification of biosimilars in China, shaping their development under an increasingly clear regulatory framework. The Chinese biosimilar market size is projected to increase from RMB 2.3 billion in 2019 to RMB 31.9 billion in 2024 at a compound annual growth rate (CAGR) of 69.4%, and further increase from the 2024 level to RMB 64.8 billion in 2030 at a CAGR of 12.5%. The chart below shows the historical and estimated size of the Chinese biosimilar market from 2015 to 2030 (estimated).

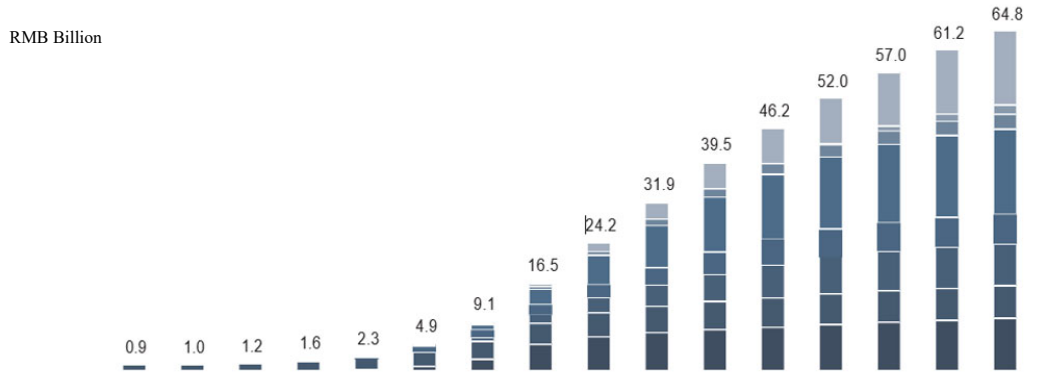
Chinese Biosimilar Market Size and Forecast, 2015 to 2030 (Estimated)



(1) The first biosimilar approved under the "Technical Guidelines for the Development and Evaluation of Biosimilars" received approval from the National Medical Products Administration (NMPA) in 2019. However, the "Technical Guidelines for the Development and Evaluation of Biosimilars" defines the composition of biosimilars, and three existing copy biologics developed in China (all etanercept biosimilars) correspondingly fall within the scope of this definition. These three drugs drove biosimilar sales in China from 2014 to 2018. However, given the increasing number of biosimilars expected to be approved in China, these three drugs are not anticipated to remain the primary revenue contributors to the overall Chinese biosimilar market.

Data Source: Frost & Sullivan Report

Breakdown of the Chinese Biosimilar Market by Generic Name, 2015 to 2030 (Estimated)



	2015	2016	2017	2018	2019	2020 (Estimat	2021 (Estimat	2022 (Estimat	2023 (Estimat	2024 (Estimat	2025 (Estimat	2026 (Estimat	2027 (Estimat	2028 (Estimat	2029 (Estimate	2030 (Estimate
Total	0.9	1	1.2	1.6	2.3	4.9	9.1	16.5	24.2	31.9	39.5	46.2	52	57	61.2	64.8
Others	-	-	-	-	-	-	0.2	0.6	1.5	3	4.8	6.8	8.6	10.3	12.2	14.1
PD-1 & PD-L1	-	-	-	-	-	-	-	-	-	-	-	-	0.2	0.8	1.4	1.8
Infliximab	-	-	-	-	-	-	0.2	0.5	0.8	1.2	1.6	2	2.4	2.6	2.8	2.9
Adalimumab	-	-	-	-	-	0.3	0.9	2.9	5.5	8.1	10.5	12.3	13.8	14.9	15.6	16.1
Rituximab	-	-	-	-	0.2	1.1	1.5	2	2.6	3.4	4.2	5	5.4	5.6	5.7	5.8
Trastuzumab	-	-	-	-	-	0.1	0.8	1.6	2.9	4	5.2	6.3	7	7.5	7.8	8
Etanercept	0.9	1	1.2	1.6	2.1	2.7	3.4	4	4.6	5	5.4	5.6	5.9	6	6.2	6.2
Bevacizumab	-	-	-	-	0	0.7	2	4.9	6.4	7.2	7.7	8.2	8.7	9.1	9.5	9.9

Bevacizumab Etanercept Trastuzumab Rituximab Adalimumab Infliximab PD-1 & PD-L1 Others

The future market demand for biologics is broad. Due to limited patient affordability, limited government subsidy coverage, and an underdeveloped commercial insurance system, most patients in China cannot afford expensive biologic treatments, which generally offer better efficacy. For example, in 2019, while seven of the top ten bestselling drugs globally were biologics, only three of the top ten bestselling drugs in China (excluding traditional Chinese medicine) were biologics. Furthermore, although monoclonal antibodies are one of the major categories of biologics, in 2019, sales of monoclonal antibodies in China accounted for less than 3.0% of global total sales. Biosimilars with price advantages provide affordable and effective treatment options for Chinese patients.

Patents for bestselling biologics are expiring.

In 2019, the top ten bestselling biologics globally accounted for 29.5% of the total sales revenue of the entire biologics market, and most of these bestselling biologics will face loss of exclusivity in the coming years. As of December 31, 2020, five of the top ten bestselling biologics are no longer under patent protection. The expiration of patents and other intellectual property rights for originator biologics creates opportunities for biosimilars to enter the market and continuously drive market growth.

The development environment for biologics in China continues to improve.

China is striving to establish a clear regulatory pathway to ensure the rapid market entry of qualified biosimilars. The "Technical Guidelines for the Development and Evaluation of Biosimilars" issued in China in 2015 established the regulatory framework for biosimilar development and registration. The NMPA has also issued specific guidance principles for the design and evaluation of clinical studies for biosimilars of adalimumab, trastuzumab, bevacizumab, and tocilizumab under their generic names. It is believed that the regulatory framework for

the R&D and registration pathway of biosimilars in China will gradually become clearer and more well-defined, facilitating the rapid market entry of more biosimilars.

Medical budget pressures are continuously increasing. Due to rising incidence of chronic diseases and an aging population, China's medical budget is facing significant pressure. Consequently, there is a high demand from government agencies, insurance companies, and patients to reduce the high costs of bestselling biologic drugs. Biosimilars, as affordable generics of expensive originator drugs, provide cost-effective and high-quality healthcare where there is greater demand, creating significant opportunities for the biosimilar market.

(2). Overview of Major Pharmaceutical Products

√ Applicable □ Not Applicable

Overview of Major Pharmaceutical Products by Segment and Therapeutic Area

√ Applicable □ Not Applicable

Segment	Main Therapeutic Area	Drug (Product) Name	Registration Classification	Indication or Function	Prescription Drug?	Traditional Chinese Medicine Protected Variety? (If applicable)	Patent Validity Period (If applicable)	New Product Launched During Reporting Period?	Included in National Essential Drug List?	Included in National Reimbursement Drug List?	Included in Provincial Reimbursement Drug List?
Biopharmaceuticals	Autoimmune Diseases	Adalimumab Injection (Brand Name: QLETLI®)	Therapeutic Biological Product Category 2	Rheumatoid Arthritis, Ankylosing Spondylitis, Psoriasis, Crohn's Disease, Uveitis	Yes	No	Not Applicable	Yes	No	Yes	Yes

Approved indications as of December 31, 2020.

Major Drugs Newly Entering or Exiting the Essential Drug List and Reimbursement Drug List During the Reporting Period

√ Applicable □ Not Applicable

During the reporting period, the Company's major drug, Adalimumab Injection (Brand Name: QLETLI®), was included in the National Reimbursement Drug List.

Bidding Results for Major Drugs in Centralized Drug Procurement During the Reporting Period

□ Applicable √ Not Applicable

Explanation
□ Applicable √ Not Applicable

Operating Data by Therapeutic Area or Major Pharmaceutical Product
√ Applicable □ Not Applicable

Unit: Unit: Thousand RMB; Currency: RMB

Therapeutic Area	Operating Revenue	Operating Cost	Gross Profit Margin (%)	Change in Operating Revenue Compared to Previous Year (%)	Change in Operating Cost Compared to Previous Year (%)	Change in Gross Profit Margin Compared to Previous Year (%)	Gross Profit Margin of Products in Same Industry and Area
Autoimmune Diseases	182,863,591.27	19,915,682.65	89.11	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Explanation
√ Applicable □ Not Applicable

Primarily impacted by the fact that the Company's product QLETLI® only commenced commercial sales in 2020.

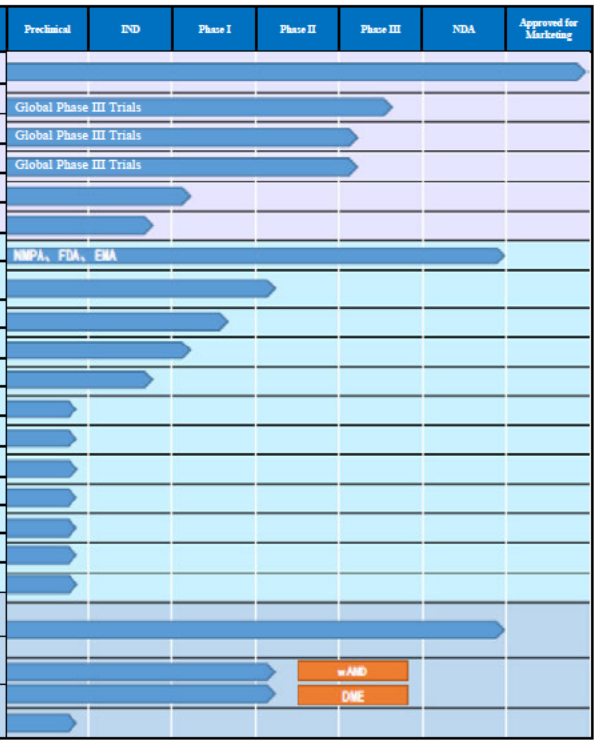
2. Company Pharmaceutical Product R&D Status

(1). Overall R&D Status

√ Applicable □ Not Applicable

To date, the Company's R&D pipeline is as follows:

Therapeutic Area	Drug/Candidate Drug	Indication	Target	Drug Structure/Format	Drug Classification
Autoimmune Diseases	QLETLI (BAT1406)	RA, Psoriasis, AS, Crohn's Disease, Uveitis	TNF-α	mAb	Biosimilar
	BAT1806	RA	IL-6R	mAb	Biosimilar
	BAT2506	PsA	TNF-α	mAb	Biosimilar
	BAT2206	Plaque psoriasis	IL-12 & IL-23	mAb	Biosimilar
	BAT4406F	NMOSD	CD20	mAb	Innovative Drug
	BAT2306	Psoriasis	IL-17A	mAb	Biosimilar
Oncology	BAT1706	mCRC, mNSCLC	VEGF	mAb	Biosimilar
	BAT4306F	Relapsed/Refractory CD20-positive B-cell NHL	CD20	mAb	Innovative Drug
	BAT1308	solid tumors	PD-1	mAb	Innovative Drug
	BAT1006	HER2-positive solid tumors	HER2	mAb	Innovative Drug
	BAT4706	solid tumors	CTLA-4	mAb	Innovative Drug
	BAT6026	Cancer	OX40	mAb	Innovative Drug
	BAT6005	Cancer	TIGIT	mAb	Innovative Drug
	BAT6021	Cancer	TIGIT	BsAb	Innovative Drug
	BAT7104	Cancer	PD-L1/CD47	BsAb	Innovative Drug
	BAT6030	solid tumors	SIRP α	BsAb	Innovative Drug
	BAT6019	solid tumors	CD40	BsAb	Innovative Drug
	BAT1906	solid tumors	IL-1 β	mAb	Innovative Drug
Other Disease Areas	BAT2094	Prevention of thrombosis induced by platelet aggregation in ACS patients undergoing PCI	GP II b/III a	Chemical Drugs	Innovative Drug
	BAT5906	wAMD, DME	VEGF	mAb	Innovative Drug
	BAT6024	Hypertriglyceridemia	Angpt13	BsAb	Innovative Drug



BAT1706: The Company expects to obtain NDA approval from the National Medical Products Administration (NMPA) and launch BAT1706 in China in 2021. The Company submitted NDA applications to the FDA and EMA in the second half of 2020 and expects to obtain approval in 2021. Furthermore, the Company plans to initiate a Phase II dose-finding clinical trial for the combination therapy of BAT1308 with BAT1706 for non-small cell lung cancer in 2023 to evaluate the safety and efficacy of this combination therapy. The Company plans to advance this combination therapy to Phase III clinical trials.

BAT1806: The Company expects to complete the global Phase III clinical trial for BAT1806 in the first half of 2021 and submit NDA applications to the NMPA, FDA, and EMA in the second half of 2021. The Company intends to launch BAT1806 in China, the EU, and the US in 2022. To improve patient compliance and pharmacoeconomic benefits, the Company plans to submit an IND application for the subcutaneous formulation of BAT1806 to the NMPA by the end of 2020. The Company expects to receive the IND approval in the first half of 2021 and subsequently initiate a PK comparability study between the subcutaneous formulation of BAT1806 and the originator drug. The Company plans to complete this study in 2022 and submit NDA applications for the subcutaneous formulation of BAT1806 to the NMPA, FDA, and EMA.

BAT2506: For the global Phase III trial of BAT2506, the Company plans to begin patient recruitment in Q1 2021. The Company expects to complete this trial in the second half of 2022.

BAT4306F: The Company plans to complete the Phase I clinical trial in subjects with relapsed/refractory CD20-positive B-cell NHL by mid-2021. The Company plans to initiate Phase II clinical trials for lymphoma in 2021-2022.

BAT5906: Phase II clinical trial for wAMD and Ib/IIa phase clinical trial for DME are in the enrollment stage. The Company plans to complete these two trials in 2022-2023.

BAT1308: The Company commenced patient recruitment for the Phase I clinical trial of BAT1308 as monotherapy for solid tumors in August 2020. The trial includes dose escalation and dose expansion parts, and the Company expects to complete this Phase I trial in 2022.

(2). Overview of Major R&D Projects

√ Applicable □ Not Applicable

R&D Projects (including consistency evaluation projects)	Product Name	Registration Classification	Indication or Function	Prescription Drug?	Traditional Chinese Medicine Protected Variety? (If applicable)	R&D (Registration) Stage
BAT2094	Batifiban Injection	Chemical Drug Category 1	Indication: Prevention of thrombosis induced by platelet aggregation in ACS patients undergoing PCI	Yes		Marketing Application Submitted
BAT1706	Bevacizumab Injection	Therapeutic Biological Product Category 2	Indications: mCRC, nsNSCLC	Yes		Marketing Application Submitted

BAT1806	Recombinant Humanized Anti-Human Interleukin-6 Receptor Monoclonal Antibody Injection	Therapeutic Biological Product Category 2	Indication: RA	Yes		Clinical Phase III
BAT2506	Recombinant Anti-Tumor Necrosis Factor Alpha Fully Human Monoclonal Antibody Injection	Therapeutic Biological Product Category 2	Indication: PsA	Yes		Clinical Phase III
BAT2206	Recombinant Human Anti-Interleukin-12 Monoclonal Antibody Injection	Therapeutic Biological Product Category 2	Indication: Plaque psoriasis	Yes		Clinical Phase III
BAT4306F	Recombinant Fc Glycoengineered Anti-CD20 Humanized Monoclonal Antibody Injection	Therapeutic Biological Product Category 1	Indication: Refractory/Relapsed CD20-positive B-cell NHL	Yes		Clinical Phase II
BAT5906	Recombinant Anti-VEGF Humanized Monoclonal Antibody Inject tion	Therapeutic Biological Product Category 2	Indications: wAMD, DME	Yes		Clinical Phase II
BAT4406F	BAT4406F Injection	Therapeutic Biological Product Category 1	Indication: NMOSD	Yes		Clinical Phase I
BAT1308	BAT1308 Injection	Therapeutic Biological Product Category 1	Indication: Solid Tumors	Yes		Clinical Phase I
BAT1006	BAT1006 Injection	Therapeutic Biological Product Category 2.4	Indication: HER2 -positive solid tumors	Yes		Clinical Phase I

(3). Pharmaceutical Products Submitted for Regulatory Approval or Approved During the Reporting Period

√ Applicable □ Not Applicable

On March 02, 2020, received the "Clinical Trial Notification" approved and issued by the National Medical Products Administration regarding the addition of the diabetic macular edema (DME) indication for the Company's investigational drug BAT5906.

On May 26, 2020, received the "Clinical Trial Notification" approved and issued by the National Medical Products Administration regarding the Company's investigational drug BAT1308 Injection.

In June 2020, received the "Acceptance Notification" approved and issued by the National Medical Products Administration regarding the Marketing Authorization Application for the Company's investigational drug Bevacizumab Injection (BAT1706).

In July 2020, received the "Drug Supplemental Application Approval Notification" approved and issued by the National Medical Products Administration regarding Adalimumab Injection (Brand Name: QLETLI®). The new drug was approved for an additional indication: Crohn's Disease.

In August 2020, received the "Drug Supplemental Application Approval Notification" approved and issued by the National Medical Products Administration regarding Adalimumab Injection (Brand Name: QLETLI®). The new drug was approved for an additional indication: Uveitis.

In October 2020, received the "Acceptance Notification" approved and issued by the National Medical Products Administration regarding the Marketing Authorization Application for the Company's investigational drug Batifiban Injection (BAT2094).

In November 2020, received the "Clinical Trial Notification" approved and issued by the National Medical Products Administration regarding the Company's investigational drug BAT1006 Injection.

(4). Major R&D Projects Canceled or Pharmaceutical Products Not Approved During the Reporting Period

□ Applicable √ Not Applicable

(5). R&D Accounting Policy

□ Applicable √ Not Applicable

R&D Investment Status
Comparison with Industry Peers
√ Applicable □ Not Applicable
Unit: Unit: Thousand RMB; Currency: RMB

Comparable Companies in the Same Industry	R&D Investment Amount	R&D Investment as a Percentage of Operating Revenue (%)	R&D Investment as a Percentage of Net Assets (%)	R&D Investment Capitalization Ratio (%)
Sunshine Guojian	29,217.26	24.82	10.19	4.55
Amoytop Biotech	6,474.85	8.87	11.49	17.52
Junshi Biosciences	94,610.00	122.06	31.77	0
Fosun Pharma	346,322.78	12.12	8.83	41.05
Company's R&D Investment Amount During Reporting Period		56,265,46		
Average R&D Investment Amount in the Same Industry		55,000		
Company's R&D Investment as a Percentage of Operating Revenue During Reporting Period (%)		304.15		
Company's R&D Investment as a Percentage of Net Assets During Reporting Period (%)		28.05		
Company's R&D Investment Capitalization Ratio During Reporting Period (%)		0		

Note:

1. The average R&D investment amount for the same industry is taken from the average R&D expenses of companies listed in the "China's Top 100 Pharmaceutical Companies" ranking in the "China Pharmaceutical Statistical Annual Report" published by the Ministry of Industry and Information Technology for the year 2019.

2. The above comparable companies in the same industry are selected from prospectuses containing 2019 financial reports or 2019 annual reports.

Explanation of Significant Changes in R&D Investment and the Rationality of R&D Investment Ratio and Capitalization Ratio

□ Applicable √ Not Applicable

Investment Status of Major R&D Projects

√ Applicable □ Not Applicable

Unit: Unit: Thousand RMB; Currency: RMB

R&D Project	R&D Investment Amount	Expensed R&D Investment Amount	Capitalized R&D Investment Amount	R&D Investment as a Percentage of Operating Revenue (%)	Percentage Change in Amount Compared to Same Period Last Year (%)	Explanation
BAT2094	759.55	759.55	0	4.11	–44.63	Varies by R&D Stage
BAT1706	15,803.61	15,803.61	0	85.43	–18.23	Varies by R&D Stage
BAT1806	9,479.18	9,479.18	0	51.24	–23.33	Varies by R&D Stage
BAT2506	2,892.05	2,892.05	0	15.63	41.64	Varies by R&D Stage
BAT8001	3,059.97	3,059.97	0	16.54	–69.32	Varies by R&D Stage
BAT2206	5,112.11	5,112.11	0	27.63	311.05	Varies by R&D Stage
BAT1306	338.19	338.19	0	1.83	–71.62	Varies by R&D Stage
BAT4306F	598.63	598.63	0	3.24	–4.27	Varies by R&D Stage
BAT5906	1,137.23	1,137.23	0	6.15	39.07	Varies by R&D Stage
BAT4406F	356.43	356.43	0	1.93	–33.05	Varies by R&D Stage
BAT8003	716.74	716.74	0	3.87	–20.16	Varies by R&D Stage
BAT1308	388.62	388.62	0	2.10	–70.98	Varies by R&D Stage
BAT1006	705.76	705.76	0	3.80	–19.19	Varies by R&D Stage

3. Company Pharmaceutical Product Sales Situation

(1).Analysis of Main Sales Models

√ Applicable □ Not Applicable

TRANSPERFECT

I, Paris Zhou, hereby certify that I am competent to translate from Chinese to English and that the attached translation is, to the best of my knowledge and belief, a true and accurate translation of the document entitled "Document Date - 2020-Dec-30 - 688177.SS - Bio-Thera Solutions Ltd - ANNUAL FULL REPORT - 百奥泰：百奥泰 2020 年年度报告 - cn04823444" from Chinese to English.

I declare that all statements made herein on my own knowledge are true and that all statements made on information and belief are believed to be true, and further, that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 or Title 18 of the United States Code

Paris Zhou

NAME

May 21, 2026

DATE