



sirnaomics

Advancing RNAi Therapeutics

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2257



INTERIM REPORT

2025

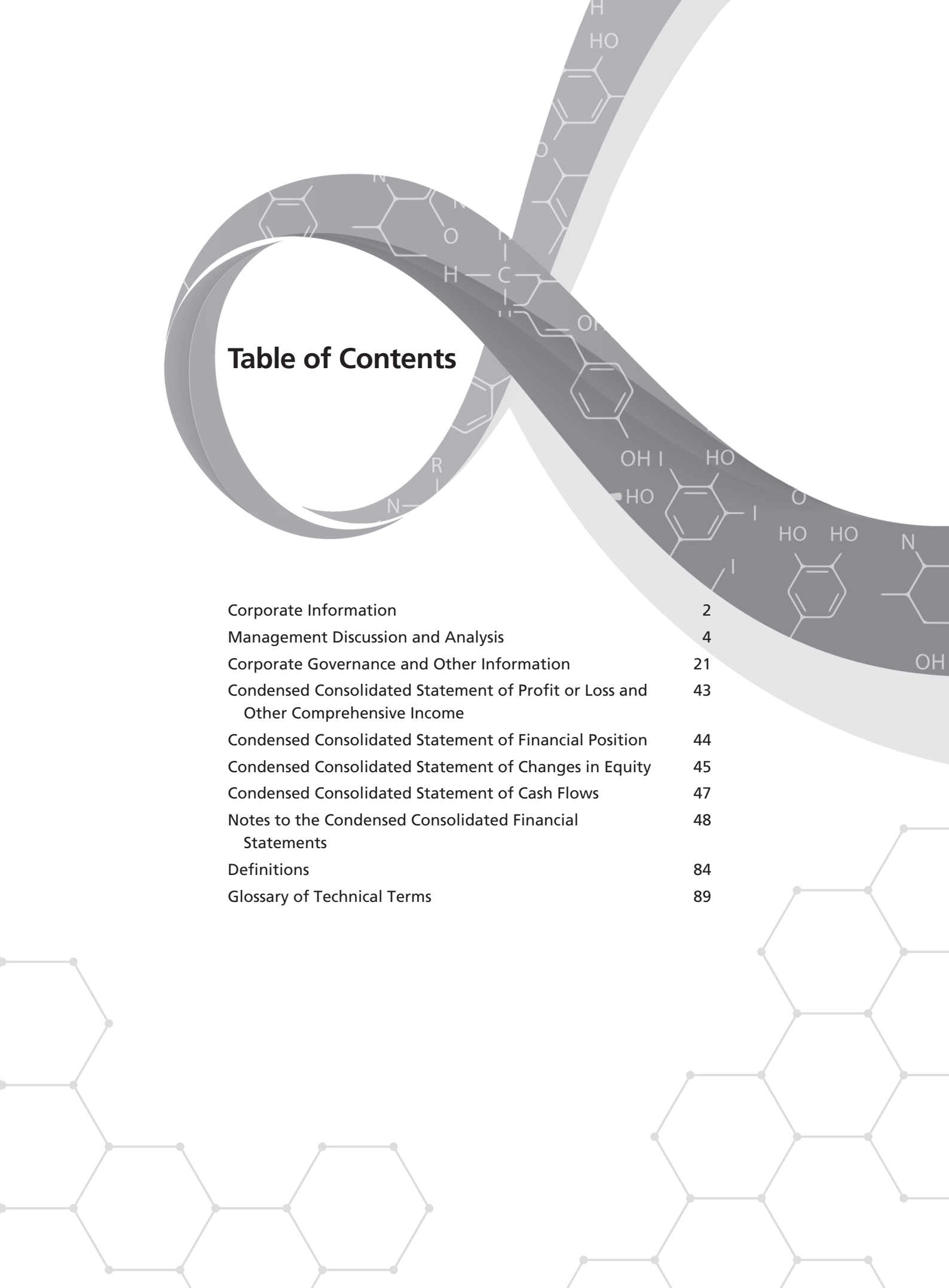


Table of Contents

Corporate Information	2
Management Discussion and Analysis	4
Corporate Governance and Other Information	21
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	43
Condensed Consolidated Statement of Financial Position	44
Condensed Consolidated Statement of Changes in Equity	45
Condensed Consolidated Statement of Cash Flows	47
Notes to the Condensed Consolidated Financial Statements	48
Definitions	84
Glossary of Technical Terms	89

Corporate Information

BOARD OF DIRECTORS

Executive Director

Dr. Poon Hung Fai
Chief Executive Officer

Non-Executive Directors

Mr. Ouyang Yunlong
(appointed with effect from July 3, 2025)
Mr. Jiankang Zhang
(resigned with effect from June 21, 2025)
Dr. Yang Lu (alias Patrick Lu)
(resigned with effect from February 5, 2025)
Mr. Mincong Huang
(resigned with effect from January 1, 2025)

Independent Non-Executive Directors

Ms. Monin Ung (*Chairlady of the Board*)
Dr. Cheung Hoi Yu, JP
Mr. Wong Yu Shan Eugene
(appointed with effect from February 17, 2025)
Dr. Zhang Peng
(appointed with effect from July 3, 2025)
Ms. Shing Mo Han, Yvonne
(alias Mrs. Yvonne Law), BBS, JP
(resigned with effect from January 1, 2025)

AUDIT COMMITTEE

Mr. Wong Yu Shan Eugene (*Chairperson*)
(appointed with effect from February 17, 2025)
Ms. Monin Ung
Dr. Cheung Hoi Yu
(appointed on February 19, 2025)
Ms. Shing Mo Han, Yvonne
(resigned with effect on January 1, 2025)
Mr. Mincong Huang
(resigned with effect on January 1, 2025)

REMUNERATION COMMITTEE

Ms. Monin Ung (*Chairperson*)
Dr. Cheung Hoi Yu
Mr. Jiankang Zhang
(resigned with effect from June 21, 2025)

NOMINATION COMMITTEE

Dr. Cheung Hoi Yu (*Chairperson*)
Ms. Monin Ung
(appointed on February 5, 2025)
Dr. Poon Hung Fai
(appointed with effect from February 17, 2025)
Dr. Yang Lu
(resigned with effect from February 5, 2025)
Ms. Shing Mo Han, Yvonne
(resigned with effect on January 1, 2025)

AUTHORIZED REPRESENTATIVES

Ms. Monin Ung
(appointed with effect from February 5, 2025)
Mr. Yuen Yun Ting
Dr. Yang Lu
(resigned with effect from February 5, 2025)

COMPANY SECRETARY

Mr. Yuen Yun Ting

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE U.S.

Sirnaomics, Inc.
20511 Seneca Meadows Parkway Suite 200
Germantown
MD 20876
U.S.

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd.
Unit 415, A4 Building
No. 218 Xinghu Street
Suzhou Industrial Park
Suzhou, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Corporate Information

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Wells Fargo Bank, N.A.
420 Montgomery Street
San Francisco
CA 94104
U.S.

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

LEGAL ADVISOR AS TO HONG KONG LAWS

Linklaters
11/F, Alexandra House
16-20 Chater Road
Central, Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LEGAL ADVISOR AS TO PRC LAWS

Commerce & Finance Law Offices
Unit 1001, 10/F, Phase I
Qianhai Chow Tai Fook Finance Tower
No. 66 Shu Niu Avenue
Shenzhen Qianhai Shenzhen-Hong Kong
Cooperation Zone
Nanshan District
Shenzhen, PRC

AUDITOR

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road, Kowloon Bay, Kowloon
Hong Kong

LEGAL ADVISOR AS TO CAYMAN ISLANDS LAWS

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

PRINCIPAL BANKS

DBS Bank (Hong Kong) Limited
G/F, The Centre
99 Queen's Road Central
Hong Kong

COMPANY WEBSITE

www.sirnaomics.com

STOCK CODE

2257

The Hongkong and Shanghai Banking
Corporation Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

Management Discussion and Analysis

BUSINESS OVERVIEW

Sirnaomics, founded in 2007, is a clinical-stage biopharmaceutical company pioneering the development of innovative siRNA therapeutics to address unmet medical needs. With a vision to emerge as a fully integrated global biopharma leader, we harness our deep expertise in RNA interference (RNAi) technology and proprietary delivery platforms. Our dual delivery systems — PNP and GalAhead — enable us to advance a diversified pipeline spanning oncology, fibrotic diseases, medical aesthetics, anticoagulant therapies, cardiometabolic disorders, and complement-mediated diseases.

Our lead drug candidate, STP705, is a multi-targeted siRNA therapeutic advancing clinical development across two oncology indications: squamous cell carcinoma in situ (isSCC) and basal cell carcinoma (BCC). The clinical trials demonstrated encouraging results in both isSCC and BCC. Based on these favorable clinical outcomes and favorable regulatory considerations, we are strategically prioritizing the isSCC indication for progression into phase IIb/III pivotal trials, while preserving future development pathways for all indications to fully realize STP705's therapeutic value. This focused development strategy optimizes resource allocation while maintaining the broad potential of our oncology pipeline.

STP707 is an innovative intravenous siRNA therapeutic currently being evaluated in a U.S. FDA-regulated phase I clinical trial for multiple solid tumors, including colorectal, pancreatic, liver, and metastatic melanoma cancers. With trial completion and final reporting anticipated by the end of 2025, subsequent clinical development plans will be determined based on comprehensive data evaluation, ensuring a methodical, evidence-based approach to expanding investigation across all potential indications.

As we advance STP705 and STP707 in clinical development to maintain our global leadership in RNAi therapeutics for oncology, we are executing a disciplined strategy that balances scientific rigor with financial prudence. Our progress is driven by robust clinical evidence and strategic resource allocation, ensuring sustainable growth while maximizing therapeutic potential.

Building on favorable clinical observations from STP705's isSCC trial, we expanded evaluation of this siRNA candidate into medical aesthetics — a novel therapeutic application. Following encouraging preclinical efficacy data, we conducted a phase I clinical study in the U.S., which demonstrated an excellent safety profile with minimal local skin reactions and early efficacy signals. These results support advancement into phase II development, while we actively engage potential collaborators to accelerate this innovative aesthetics program.

Our GalNAc-based delivery platform, GalAhead™ (comprising both mxRNA and muRNA approaches), is designed for subcutaneous administration and is currently being investigated in multiple hepatocyte-related diseases where targeting liver hepatocytes may result in beneficial therapeutic outcomes.

Management Discussion and Analysis

STP122G, our lead GalAhead™ mxRNA-based therapeutic candidate, is currently undergoing a phase I clinical trial to assess its safety, tolerability, and preliminary efficacy for anticoagulation and thrombosis indications. To date, we have successfully completed dosing of the first two cohorts and administered the third cohort in March 2025. Preliminary safety data across these cohorts have been favorable, supporting continued clinical progression. The trial remains on track, with expected completion in 2026, and will provide critical insights to guide further development of this innovative therapeutic approach.

We are investigating the efficacies of our drug candidates of GalAhead™ pipelines in various therapeutic areas, including hypertriglyceridemia (STP125G) and complement-mediated diseases (STP144G).

In addition to targeting single genes with programs like STP122G, we have established pipeline programs that allow us to target two genes simultaneously with our GalAhead™ muRNA platform. The ability to modulate two converging biological pathways has generated significant interest in both scientific and business development fronts in the RNAi field, positioning us as pioneers in this space.

Sirnaomics stands at the forefront of an exciting new era in siRNA therapeutics, where our cutting-edge delivery platforms and large-scale manufacturing capabilities are poised to revolutionize treatment paradigms for serious diseases. We empower biopharmaceutical partners through strategic licensing of our proprietary technologies while simultaneously advancing our robust internal pipeline, creating a dual pathway to accelerate RNA therapeutic breakthroughs. Our state-of-the-art GMP pilot plant and deep siRNA expertise provide collaborators with a powerful springboard to fast-track their programs, enabling mutually beneficial partnerships that expand the reach of RNA-based medicines. Through these dynamic initiatives and our unwavering commitment to innovation, Sirnaomics is leading the transformation of RNA therapeutics — turning scientific potential into real-world solutions that address humanity's most pressing medical challenges and deliver hope to patients worldwide.

Management Discussion and Analysis

Updated Pipeline

The updated R&D pipeline includes 14 products and 15 projects. The pipeline remains on track as outlined in the annual report of the Company for the year ended December 31, 2024, with continued progress achieved in the first half of 2025.

	Candidate	Gene Targets	Indications	Delivery Platform	Pre-clinical	IND Enabling	IND Filling	Phase I	Phase II	Phase III	Rights	Status
Oncology	STP705	TGF-β1/COX-2	isSCC	PNP-IT							Global	Phase II/III under preparation
			BCC								Global	Phase II completed
	STP707	TGF-β1/COX-2	Solid tumors	PNP-IV							Global	Phase I completed
	STP355	TGF-β1/VEGFR2	Solid tumors	PNP-IV							Global	IND enabling
	STP369	BCLXL/MCL1	Head&Neck	PNP-IV/IT							Global	
Medical Aesthetics	STP705	TGF-β1/COX-2	Fat Reduction	PNP Sub.							Global	Phase I completed
Galahead™	STP122G	Factor XI	Anticoagulation / Thrombosis	mxRNA Subcu.							Global	Phase I ongoing
	STP125G	ApoC3	Hypertriglyceridemia								Global	IND in 2025
	STP144G	Complement Factor B	Complement-diseases								Global	IND in 2026
	STP145G	Complement Factor C5	Complement-diseases								Global	BD Programs
	STP146G	Complement Factor C3	Complement-diseases								Global	
	STP152G	TTR	ATTR amyloidosis								Global	
	STP136G	AGT	Hypertension								Global	
	STP247G	CFB/C5	Complement-diseases								Global	BD Programs
	STP251G	ApoC3/TMPRSS6	Hemochromatosis & Hypertriglyceridemia								Global	
	STP237G	AGT/ApoC3	Hypertension & Hypertriglyceridemia								Global	

Abbreviations: isSCC = squamous cell carcinoma in situ; BCC = basal cell carcinoma; PNP = our polypeptide nanoparticle (PNP) RNAi delivery platform; PNP-IT = PNP platform formulated for intratumoral administration; PNP-Subcu = PNP platform formulated for subcutaneous administration; PNP-ID = PNP platform formulated for intradermal administration; PNP-IV = PNP platform formulated for intravenous administration; Galahead™ = our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers; mxRNA-Subcu = mxRNA™ (miniaturized RNAi triggers) for subcutaneous administration; muRNA-Subcu = muRNA™ (multi-unit RNAi triggers) for subcutaneous administration

Management Discussion and Analysis

Clinical Programs

During the first half of 2025, we maintained strong momentum in both pipeline advancement and business development initiatives. Our financial resources were strategically allocated to prioritize the clinical progression of STP705 and STP122G, while selectively advancing key preclinical assets. Concurrently, we optimized our organizational structure through a targeted restructuring effort, including a realignment of the management team to better support the execution of our development strategy.

STP705 for the treatment of NMSC and Focal Fat Reduction

isSCC and BCC: STP705, formulated for local administration, targets transforming growth factor beta-1 (TGF- β 1) and cyclooxygenase-2 (COX-2). It has shown encouraging results in Phase IIa and IIb clinical studies for isSCC. We are planning to advance STP705 into late-stage clinical development. The final data readout from the Phase IIa clinical study for BCC demonstrated favorable efficacy without systemic drug-related adverse events (AEs) or serious adverse events (SAEs). Based on these favorable clinical outcomes and favorable regulatory considerations, we are strategically prioritizing the isSCC indication for progression into phase IIb/III pivotal trials, while preserving future development pathways for all indications to fully realize STP705's therapeutic value.

Focal Fat Reduction: The Phase I clinical study for STP705 for focal fat reduction has shown excellent safety, with minimal local skin reactions (LSRs). These results support advancement into phase II development, while we actively engage potential collaborators to accelerate this innovative aesthetics program.

STP707 for the treatment of multiple solid tumors

STP707, formulated for intravenous administration, targets TGF- β 1 and COX-2. The Phase I basket clinical study, involving 50 late-stage cancer patients, demonstrated that STP707 is well-tolerated and shows therapeutic benefits, particularly for pancreatic cancer patients. The study supports further exploration of STP707 alone or in combination with immune checkpoint inhibitors. With trial completion and final reporting anticipated by the end of 2025, subsequent clinical development plans through strategic partnerships will be determined based on comprehensive data evaluation, ensuring a methodical, evidence-based approach to expanding investigations across all potential indications.

Management Discussion and Analysis

STP122G for the treatment of coagulation disorders

STP122G is a drug candidate formulated using our GalAhead™ platform that targets Factor XI. The product is currently under Phase I clinical study and we are developing STP122G as a potential anticoagulant therapy to be used in several diseases that require anticoagulation, such as atrial fibrillation, pulmonary embolism, deep vein thrombosis (DVT), and deep venous thrombosis prophylaxis for surgical procedures. To date, we have successfully completed dosing of the first two cohorts and administered the third cohort in March 2025. Preliminary safety data across these cohorts have been favorable, supporting continued clinical progression. The trial remains on track, with expected completion in 2026, and will provide critical insights to guide further development of this innovative therapeutic approach.

We may not be able to ultimately develop and market our lead drug candidates STP705, STP707 and STP122G successfully.

Preclinical Programs

In alignment with our strategic focus, we are advancing STP125G and STP144G into clinical development, while positioning other pipeline assets for business development opportunities.

STP125G targets Apolipoprotein C3 (ApoC3) for the treatment of hypertriglyceridemia and cardiovascular diseases. IND-enabling studies have been completed, and we are preparing the IND submission to initiate phase I clinical study.

STP144G is an investigational RNAi therapeutic targeting Complement Factor B (CFB) for the treatment of complement-mediated immunological disorders. The current GMP drug substance production is complete, with IND submission planned for next year.

STP355 and STP369, which share the PNP delivery platform, are key assets in our pipeline. IND-enabling activities will commence after Phase III data readouts for STP705 and STP707, leveraging validated PNP delivery technology.

STP136G (targets angiotensinogen (AGT) for the treatment of hypertension), STP145G and STP146G (target Complement Factor C5 and C3 respectively), all have completed efficacy studies in cell and animal models and are available for partnership.

STP237G, STP247G and STP251G are multi-targeting siRNA candidates with completed preclinical efficacy data. Currently in business development program.

Management Discussion and Analysis

Delivery Platforms

PNP Delivery Platform

Our Polymer Nanoparticle (PNP) platform utilizes a biodegradable histidine-lysine (HK) copolymer to enable safe and effective siRNA delivery. With exclusive global rights and a robust IP portfolio, this clinically validated platform supports therapeutic development across oncology, fibrotic diseases and medical aesthetics.

GalAhead™ Delivery Platform

Our GalAhead™ delivery system is a proprietary technology platform for RNAi therapeutics, developed in house. This technology features:

- mxRNA™: Miniaturized RNAi triggers for enhanced safety and delivery
- muRNA™: Multi-unit RNAi triggers for simultaneous targeting of multiple mRNAs

The platform specifically targets hepatocytes via ASGPR-mediated uptake, with a growing pipeline of drug candidates demonstrating proof-of-concept in cell-based and animal models.

Manufacturing

Despite financial constraints in 2024, Sirnaomics successfully maintained operations at our clinical-scale GMP manufacturing facility while strategically optimizing our production capabilities. We strengthened existing industrial partnerships to ensure reliable supply chain management across Active Pharmaceutical Ingredients (APIs), excipients, and fill/finish operations for clinical needs, while actively pursuing new strategic collaborations.

For late-stage programs, we continued leveraging established CDMO partnerships, with pre-commercialization activities including API and drug product Process Performance Qualification (PPQ) progressing as planned. Our GalAhead™ platform maintained its proven CDMO network while initiating early discussions for future commercial-scale manufacturing.

The Guangzhou Fill/Finish Facility, operational since 2021, remained instrumental in supporting PNP pipeline development through preclinical toxicology and early clinical studies. While capital limitations restricted major capacity expansions, we preserved all critical manufacturing functions to advance our core therapeutic programs.



Management Discussion and Analysis

Leadership Changes

More addition of the leadership team will be expected in 2025. These leadership changes reflect Sirnaomics' commitment to strengthening its executive team and aligning its leadership with the Company's strategic focus on advancing its RNAi therapeutics pipeline and exploring new therapeutic areas. The new appointments will bring a wealth of experience and expertise, positioning Sirnaomics for continued growth and success.

FUTURE AND OUTLOOK

Sirnaomics is pioneering the development of transformative RNA-based therapeutics to address critical unmet medical needs across global markets. By harnessing our proprietary technology platforms, advancing clinical-stage programs, and leveraging our experienced leadership team and integrated R&D and manufacturing infrastructure spanning the U.S. and Asia, we are establishing a leadership position in RNAi therapeutics focused on oncology, hepatic-metabolic disorders, and medical aesthetics. Our strategic initiatives are designed to strengthen our competitive advantage while driving sustainable, long-term growth.

Strategic Restructuring for Financial Sustainability

In response to evolving market dynamics, Sirnaomics has implemented a comprehensive restructuring program to enhance operational efficiency and extend our financial runway. Key initiatives include organizational streamlining to increase operational agility, targeted cost optimization measures across all functional areas, and strategic reallocation of resources to prioritize high-value programs. To further strengthen our financial position, we are actively exploring additional financing opportunities while evaluating multiple strategic options. These include the selective divestment of non-core assets, assessing alternative financing solutions, and pursuing targeted business development initiatives with potential partners.

Pipeline Development Update

Our GalAhead™ platform continues to demonstrate strong clinical validation, with lead candidate STP122G showing an excellent safety profile in initial clinical cohorts and STP125G progressing toward an anticipated IND submission by the end of 2025. The platform's robust preclinical pipeline continues to advance through development. Regarding our PNP platform, we are preparing STP705 for the treatment of NMSC for pivotal studies, following alignment with the FDA, while actively pursuing partnership opportunities to accelerate the development of STP705 in focal fat reduction. Our STP707 Oncology Program has generated favorable Phase I safety and efficacy data, and we are currently exploring strategic partnership opportunities to advance this encouraging asset.

Management Discussion and Analysis

Business Development Strategy

Our dedicated business development team is actively engaged in pursuing global and regional partnerships for STP705 and STP707, evaluating collaboration opportunities for GalAhead™ platform assets, and establishing strategic alliances to enhance our development capabilities. These efforts are focused on maximizing the potential of our pipeline while mitigating development risks through shared expertise and resources. Additionally, we are in active discussions with several venture capital funds to establish a new company aimed at advancing our product pipeline while optimizing R&D expenditures with our existing capital.

Commercialization Pathway

We are targeting an NDA submission for STP705 as early as 2027, with commercial success contingent upon generation of positive clinical data, successful regulatory review and approvals, and maintenance of robust intellectual property protection. Our commercialization strategy incorporates careful planning for market entry, including development of necessary infrastructure and partnerships.

Commitment to Stakeholders

Sirnaomics remains steadfast in our commitment to delivering sustainable value to shareholders while maintaining rigorous financial discipline. We are confident in our ability to navigate current market challenges and emerge as a stronger organization, positioned to advance our pipeline of transformative RNAi therapies that will benefit patients worldwide. Our focus remains on executing our strategic priorities while maintaining operational flexibility to capitalize on emerging opportunities in the dynamic RNA therapeutics landscape.

Key Advantages

- Proprietary RNAi delivery platforms with demonstrated clinical validation
- Balanced pipeline addressing high-value therapeutic areas
- Strategic global footprint with R&D and manufacturing capabilities
- Disciplined financial management and operational optimization
- Experienced leadership team with proven drug development expertise

Forward-Looking Strategy

Looking ahead, Sirnaomics will continue to focus on advancing our clinical programs, expanding our pipeline through internal research and strategic partnerships, and maintaining financial discipline to create long-term value. We remain committed to our mission of developing innovative RNA-based medicines that address significant unmet medical needs while delivering sustainable growth for our stakeholders.

Management Discussion and Analysis

FINANCIAL REVIEW

	For the six months ended June 30,	
	2025 US\$'000	2024 US\$'000
Other income	124	984
Other gains and losses	768	(23)
Changes in fair value of financial asset at FVTPL	–	(18,108)
Changes in fair value of financial liabilities at FVTPL	1,724	(1,389)
Administrative expenses	(2,553)	(10,160)
Research and development expenses	(3,045)	(14,251)
Other expenses	(4)	(7)
Finance costs	(402)	(539)
Loss for the period	(3,388)	(43,493)

Overview

For the six months ended June 30, 2025, the Group did not generate any revenue from product sales. The Group recorded a loss of US\$3.4 million for the six months ended June 30, 2025, as compared with US\$43.5 million for the six months ended June 30, 2024.

Substantially all of the Group's net losses resulted from research and development expenses and administrative expenses.

Revenue

For the six months ended June 30, 2025, the Group did not generate any revenue from product sales.

Other Income

The Group's other income primarily consists of: (i) government grants, including cash incentives to support the Group's research and development activities; (ii) rental income; (iii) interest income from bank balances; and (iv) consultancy income.

For the six months ended June 30, 2025, the other income of the Group decreased to US\$0.1 million, representing a reduction of US\$0.9 million, or 87%, from US\$1.0 million for the six months ended June 30, 2024. The decrease was primarily due to: (i) the decrease in consultancy income from US\$0.7 million for the six months ended June 30, 2024 to US\$3,000 for the six months ended June 30, 2025; and (ii) the decrease in government grants from US\$0.2 million for the six months ended June 30, 2024 to US\$64,000 for the six months ended June 30, 2025.

Management Discussion and Analysis

Other Gains and Losses

The Group's other gains and losses primarily consist of: (i) gain on lease modification; and (ii) gain on disposal of property, plant and equipment.

The other gains and losses of the Group changed from a loss of US\$23,000 for the six months ended June 30, 2024 to a gain of US\$0.8 million for the six months ended June 30, 2025. The change was primarily due to: (i) the gain on lease modification of US\$0.7 million for the six months ended June 30, 2025; and (ii) the change in gain or loss on disposal of property, plant and equipment from a loss of US\$63,000 for the six months ended June 30, 2024 to a gain of US\$18,000 for the six months ended June 30, 2025.

Changes in Fair Value of Financial Asset at FVTPL

The Group's changes in fair value of financial asset at FVTPL mainly represent changes in fair value of an investment in a segregated portfolio of the Fund.

For the six months ended June 30, 2024, the loss in changes in fair value of financial asset at FVTPL was primarily due to the loss on net asset value of the Fund which the Group subscribed for, as a result of the potential default by the issuer of a private debt in which the Fund invested. For the six months ended June 30, 2025, no changes in fair value of financial asset at FVTPL was primarily due to the redemption of the Fund during the year ended December 31, 2024. For further details, please refer to the section headed "Management Discussion and Analysis — Financial Review — Significant Investments" in this interim report.

Changes in Fair Value of Financial Liabilities at FVTPL

The Group's changes in fair value of financial liabilities at FVTPL mainly represent changes in fair value of series seed and series A preferred shares of RNAimmune as a result of the changes in valuation of RNAimmune.

For the six months ended June 30, 2025, the changes in fair value of financial liabilities at FVTPL changed to a gain of US\$1.7 million from a loss of US\$1.4 million for the six months ended June 30, 2024. The change was primarily due to the decrease in the valuation of preferred shares of RNAimmune. For details, please refer to note 19 to the condensed consolidated financial statements.

Management Discussion and Analysis

Administrative Expenses

The following table sets forth the components of the Group's administrative expenses for the periods indicated:

	For the six months ended June 30,		
	2025 US\$'000	2024 US\$'000	Changes %
Directors' emolument and staff costs	1,252	3,083	(59%)
Professional and consultancy fees	562	5,440	(90%)
Depreciation of property, plant and equipment and right-of-use assets	220	873	(75%)
Office expenses	163	275	(41%)
Traveling expenses	59	124	(52%)
Others	297	365	(19%)
Total	<u>2,553</u>	<u>10,160</u>	<u>(75%)</u>

The Group's administrative expenses primarily consist of: (i) directors' emolument and staff costs relating to the Group's administrative staff; and (ii) professional and consultancy fees, including financial advisory service fees, legal fees for patent-related and general corporate advisory services, and professional fees for marketing, business development, regulatory compliance and maintaining listing status after the Listing.

For the six months ended June 30, 2025, the administrative expenses of the Group decreased to US\$2.6 million, representing a reduction of US\$7.6 million, or 75%, from US\$10.2 million for the six months ended June 30, 2024. The decrease was primarily attributable to the decrease in directors' emolument and staff costs in relation to the Group's administrative staff, professional and consultancy fees, depreciation of property, plant and equipment and right-of-use assets, office expenses, traveling expenses and others, as a result of the Group's restructuring strategy and cost-saving measures.

Management Discussion and Analysis

Research and Development Expenses

The following table sets forth the components of the Group's research and development expenses for the periods indicated:

For the six months ended June 30,			
	2025 US\$'000	2024 US\$'000	Changes %
Directors' emolument and staff costs	1,458	5,376	(73%)
Clinical trials expenses	68	1,449	(95%)
Toxicology study expenses	–	1,191	(100%)
Chemistry, manufacturing and controls expenses	223	803	(72%)
Materials consumed	25	324	(92%)
Preclinical test expenses	28	122	(77%)
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	728	2,963	(75%)
Consultancy fee	171	1,147	(85%)
Others	344	876	(61%)
Total	<u>3,045</u>	<u>14,251</u>	<u>(79%)</u>

The Group's research and development expenses primarily consist of: (i) directors' emolument and staff costs relating to the research and development staff; (ii) clinical trials expenses, mainly in relation to the engagement of CROs; (iii) toxicology study expenses; (iv) chemistry, manufacturing and controls expenses; (v) materials consumed; and (vi) preclinical test expenses, mainly in relation to the engagement of preclinical CROs.

For the six months ended June 30, 2025, the research and development expenses of the Group decreased to US\$3.0 million, representing a reduction of US\$11.3 million, or 79%, from US\$14.3 million for the six months ended June 30, 2024. The decrease was primarily attributable to the decrease in the Group's chemistry, manufacturing and controls expenses, clinical trials expenses, toxicology study expenses, materials consumed and preclinical test expenses. Such decreases were in line with the Group's resource allocation strategy to focus financial resources on developing STP705 and STP122G, and slow down the development of other programs. Directors' emolument and staff costs in relation to the Group's research and development activities also decreased due to the decrease in salaries and other allowances resulting from the Group's restructuring efforts to optimize its taskforce and salary adjustments for middle to senior-level employees during the six months ended June 30, 2025.

Management Discussion and Analysis

Finance Costs

The Group's finance costs primarily consist of: (i) interest on lease liabilities; and (ii) interest on borrowings.

For the six months ended June 30, 2025, interest on lease liabilities of the Group decreased by US\$0.1 million, or 27%, to US\$0.4 million from US\$0.5 million for the six months ended June 30, 2024.

Income Tax Expense

No Hong Kong profits tax, U.S. corporate income and state taxes or China enterprise income tax were provided as the group entities had no assessable profits during the six months ended June 30, 2025.

Loss for the Period

The Group's loss for the period decreased from US\$43.5 million for the six months ended June 30, 2024 to US\$3.4 million for the six months ended June 30, 2025. Such decrease in loss was primarily attributable to: (i) decrease in loss on changes in fair value of financial asset at FVTPL; (ii) decrease in research and development expenses; (iii) decrease in administrative expenses; and (iv) decrease in loss on changes in fair value of financial liabilities at FVTPL for the six months ended June 30, 2025.

Cash flows

	For the six months ended June 30,	
	2025 US\$'000	2024 US\$'000
Net cash used in operating activities	(4,893)	(15,365)
Net cash from investing activities	4	201
Net cash from/(used in) financing activities	20	(696)
Net decrease in cash and cash equivalents	(4,869)	(15,860)
Cash and cash equivalents at January 1	11,769	23,884
Effect of foreign exchange rate changes	(28)	(288)
Cash and cash equivalents at June 30	6,872	7,736

Management Discussion and Analysis

Net cash used in operating activities for the six months ended June 30, 2025 decreased to US\$4.9 million, representing a reduction of US\$10.5 million, or 68%, from US\$15.4 million for the six months ended June 30, 2024. The decrease was primarily due to the slowdown of the Group's research and development activities on certain insignificant programs.

Net cash from investing activities decreased to US\$4,000, representing a reduction of US\$197,000, or 98%, from US\$0.2 million for the six months ended June 30, 2024. The change was primarily due to: (i) decrease in refund of rental deposit; and (ii) decrease in proceeds from disposal of property, plant and equipment.

Cash flows from/used in financing activities changed from net cash used in financing activities of US\$0.7 million for the six months ended June 30, 2024 to net cash from financing activities of US\$20,000 for the six months ended June 30, 2025. The change was primarily due to: (i) decrease in interest paid on lease liabilities; and (ii) decrease in repayment of lease liabilities as a result of lease modification.

Liquidity and Source of Funding and Borrowing

The Group's management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations. As at June 30, 2025, the Group's cash and cash equivalents were mainly denominated in U.S. dollars, Renminbi and Hong Kong dollars. The Group relies on equity and debt financing as the major source of liquidity. The Group had bank borrowings of US\$0.7 million as at June 30, 2025.

As at June 30, 2025, the Group had no unutilized banking facilities.

As at June 30, 2025, the Group's cash and cash equivalents decreased to US\$6.9 million from US\$11.8 million as at December 31, 2024. The decrease was primarily resulted from the Group's research and development activities, general corporate and administrative activities.

As at June 30, 2025, the current assets of the Group were US\$13.9 million, including cash and cash equivalents of US\$6.9 million, and prepayments, deposits and other receivables of US\$7.0 million. As at June 30, 2025, the current liabilities of the Group were US\$33.9 million, including trade and other payables of US\$10.1 million, bank borrowings of US\$0.7 million, contract liability of US\$0.7 million, deferred income of US\$0.3 million, financial liabilities at FVTPL of US\$22.0 million and lease liabilities of US\$0.1 million.

As at June 30, 2025, the Group's net liabilities increased from US\$16.0 million as at December 31, 2024 to US\$19.1 million as at June 30, 2025. The change was primarily due to the decrease in cash and cash equivalents from US\$11.8 million as at December 31, 2024 to US\$6.9 million as at June 30, 2025.

Management Discussion and Analysis

Key Financial Ratios

The following table sets out the Group's key financial ratios as at the dates indicated:

	As at June 30, 2025 %	As at December 31, 2024 % (Restated)
Current ratio	40.9	52.3
Gearing ratio	(3.4)	(2.5)

Notes:

1. Current ratio represents current assets divided by current liabilities as at the same date.
2. Gearing ratio represents bank borrowings divided by total equity as at the same date.

Significant Investments

During the years ended December 31, 2022 and 2023, the Group subscribed for the Segregated Portfolio, a segregated portfolio of the Fund and classified as financial asset at FVTPL, at subscription amounts of US\$15 million and US\$5 million (exclusive of transaction costs), respectively.

The subscriptions were made for investment purpose to provide the Group with an opportunity to enhance return by utilizing idle cash of the Group, and enabled the Group to participate in the Hong Kong, U.S. and Mainland China securities markets and debt instruments while reducing direct investment risks by leveraging on the professional management of the investment fund and the Investment Manager. For further details, please refer to the announcements of the Company dated December 29, 2022 and January 12, 2023.

As disclosed in the announcement of the Company dated July 8, 2024, the Directors were informed by the Investment Manager that, due to the potential default by the issuer of a private debt in which the Fund invested, the net asset value of the Fund was expected to incur a substantial adverse change (the "Matter"). On July 5, 2024, the Board established an investigation committee (the "Investigation Committee") to investigate the Matter.

On July 29, 2024, the Investigation Committee, on behalf of the Company, engaged (i) BF & Co. to act as Hong Kong legal advisor to, including but not limited to, provide legal advice and explore possible causes of actions; and (ii) Alvarez & Marsal Disputes and Investigations Limited to act as an independent investigation consultant to, including but not limited to, conduct an investigation (the "Investigation") on the Matter, and report their findings on the Investigation to the Investigation Committee.

Management Discussion and Analysis

The key personnel identified as being involved in the findings from the Investigation have since left the Company.

On August 15, 2024, the Investment Manager provided the Company with a statement of capital account of the Segregated Portfolio for the quarter ended June 30, 2024 (the “**Statement**”). According to the Statement, the capital account balance as at June 30, 2024 amounted to US\$1,935,000. Based on the discussions between the Company and the Investment Manager, the balance represents the cash remaining in the bank account of the Segregated Portfolio.

It was not only until November 11, 2024, and after the commencement of an arbitration proceeding by the Group against the Investment Manager on August 23, 2024 at the Hong Kong International Arbitration Centre, that the Investment Manager transferred a sum of US\$1,865,000, after deducting management fee of US\$70,000, being the purported redemption, to the Group.

According to the Group’s accounting policy, financial asset at FVTPL is measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. Accordingly, the Group recorded a loss on fair value of financial asset at FVTPL of US\$18,178,000 upon redemption for the year ended December 31, 2024.

As at June 30, 2025 and December 31, 2024, the Group had no financial asset at FVTPL.

As disclosed in the announcements of the Company dated January 14, 2025 and March 18, 2025, remedial actions have been taken or will be taken by the Company based on the interim findings of the Investigation.

Material Acquisitions and Disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates (within the meaning of the Listing Rules) or joint ventures for the six months ended June 30, 2025.

Pledge of Assets

As at June 30, 2025, certain assets of the Group’s property, plant and equipment, with a carrying amount of US\$756,000 (December 31, 2024: Nil), were pledged to secure lease liabilities. For details, please refer to note 12 to the condensed consolidated financial statements.

Future Plans for Material Investments or Capital Assets

Save as disclosed in this interim report, there was no specific plan for material investments or capital assets as at June 30, 2025.

Management Discussion and Analysis

Contingent Liabilities

As at June 30, 2025, the Group did not have any material contingent liabilities.

Foreign Exchange Exposure

Certain bank balances, deposits and other receivables and trade and other payables denominated in foreign currency of respective group entities expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. The foreign exchange exposure is considered very minimal since majority of the Group's expenses is in U.S. dollar and this matches with the denomination of majority of our deposits. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Employees and Remuneration

As at June 30, 2025, the Group had a total of 52 employees. The following table sets forth the total number of employees by function as of June 30, 2025:

	Number of Employees
Management	6
Research	13
Manufacturing	10
Clinical and Regulation	2
General and Administration	21
Total	52

The total remuneration cost incurred by the Group for the six months ended June 30, 2025 was US\$2.7 million (including share-based payment expense of US\$0.3 million), as compared to US\$8.5 million (including share-based payment expense of US\$1.6 million) for the six months ended June 30, 2024. The remuneration of the employees of the Group comprises salaries and other allowances, retirement benefit scheme contributions, share-based payment expense as well as performance and discretionary bonus.

As required by relevant laws and regulations, the Group participates in various employee social security plans for the employees that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

The Company has adopted the Pre-IPO Equity Incentive Plan, the RSU Scheme and the Share Option Scheme to incentivize eligible employees, details of which are set out in the section headed "Corporate Governance and Other Information — Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme" in this interim report.

Corporate Governance and Other Information

PRE-IPO EQUITY INCENTIVE PLAN, RSU SCHEME AND SHARE OPTION SCHEME

Pre-IPO Equity Incentive Plan

On January 21, 2021, the Company adopted the Pre-IPO Equity Incentive Plan to, among others, attract and retain outstanding individuals to serve as directors, officers, employees, consultants, and advisors to the Company. Each share option granted under the Pre-IPO Equity Incentive Plan represents the right to purchase the Shares of the Company at a pre-determined exercise price, subject to vesting and other conditions provided for under the Pre-IPO Equity Incentive Plan. The Company issued and allotted 12,770,000 Shares in aggregate to a professional trustee which holds the Shares on trust under the Pre-IPO Equity Incentive Plan. On April 22, 2022, the Pre-IPO Equity Incentive Plan was terminated by the Company, subject to the rights of the participants of the Pre-IPO Equity Incentive Plan with respect to the awards granted according to the Pre-IPO Equity Incentive Plan prior to its termination. As at June 30, 2025, no Shares were available for issue under the Pre-IPO Equity Incentive Plan.

The principal terms of the Pre-IPO Equity Incentive Plan are set out below. The terms of the Pre-IPO Equity Incentive Plan were not subject to the provisions of Chapter 17 of the Listing Rules when it was adopted and shall now be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

(1) Purpose

The purpose of the Pre-IPO Equity Incentive Plan is to attract and retain outstanding individuals to serve as directors, officers, employees, consultants, and advisors to our Group.

(2) Participants

The participants of the Pre-IPO Equity Incentive Plan shall be: (i) a director, officer or employee of the Group, or (ii) an individual that has been engaged to be a director, officer or employee of the Group, or (iii) a consultant or advisor who provides services to the Group, or (iv) an individual that has been engaged to provide services to the Group.

(3) Administration

The compensation committee of the Board (or such successor committee with the same or similar authority) has full power and authority to administer in its sole discretion the Pre-IPO Equity Incentive Plan, including the authority to: (i) interpret the provisions of the Pre-IPO Equity Incentive Plan; (ii) prescribe, amend and rescind rules and regulations relating to the Pre-IPO Equity Incentive Plan; (iii) correct any defect, supply any omission, or reconcile any inconsistency in carrying into effect the Pre-IPO Equity Incentive Plan; and (iv) make all other determinations necessary or advisable for the administration of the Pre-IPO Equity Incentive Plan.

Corporate Governance and Other Information

A majority of the members of the compensation committee of the Board constitutes a quorum, and must make all determinations of the committee. The compensation committee of the Board may make any determination under the Pre-IPO Equity Incentive Plan without notice or meeting by a writing that a majority of the committee members have signed. All committee determinations are final and binding. If, at any time, the compensation committee of the Board is not in existence, the Board must administer the Pre-IPO Equity Incentive Plan and all references to the compensation committee of the Board in the Pre-IPO Equity Incentive Plan are deemed to mean the Board.

To the extent applicable law permits, the Board may delegate to another committee of the Board or to one or more officers of the Company any or all of the authority and responsibility of the compensation committee of the Board.

(4) Awards

An award means a grant of options, share appreciation rights or restricted shares.

(5) Discretionary grant of awards

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board has full power and authority in its sole discretion to: (i) designate from time to time the participants to receive awards under the plan; (ii) determine the type or types of awards to be granted to each participant; (iii) determine the number of shares with respect to which an award relates; and (iv) determine any terms and conditions of an award. Awards under the plan may be granted either alone or in addition to, in tandem with, or in substitution for any other award (or any other award granted under another plan of the Group). The compensation committee's designation of a participant to receive an award in a given year does not require the compensation committee to designate such person to receive an award in any other year.

(6) Shares reserved

An aggregate of 12,770,000 Shares were reserved for issuance under the Pre-IPO Equity Incentive Plan. The Company issued and allotted the 12,770,000 Shares to a professional trustee which holds the Shares on trust under the Pre-IPO Equity Incentive Plan.

(7) Replenishment of Shares

If an award lapses, expires, terminates, or is canceled without the issuance of Shares or payment of cash under the award, then the Shares subject to or reserved for in respect of such award, or the Shares to which such award relates, may again be used for new awards, including issuance pursuant to incentive share options. If Shares are delivered to (or withheld by) the Company in payment of the exercise price or withholding taxes of an award, then such Shares may be used for new awards under the Pre-IPO Equity Incentive Plan, including issuance pursuant to incentive share options. If Shares are issued under an award and if the Company subsequently reacquires them pursuant to rights reserved upon the issuance of the Shares, then such Shares may be used for new awards under the plan but excluding issuance pursuant to incentive share options.

Corporate Governance and Other Information

(8) Options

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensate committee of the Board must determine all terms and conditions of each option, including but not limited to:

- (i) whether the option is an incentive stock option or a non-qualified stock option;
- (ii) the number of Shares subject to the option;
- (iii) the exercise price per share, which must not be less than the fair market value of a share as determined on the date of grant; provided, however, that an incentive stock option granted to a 10% owner-employee must have an exercise price that is at least 110% of the fair market value of a share on the date of grant;
- (iv) the terms and conditions of exercise;
- (v) unless the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, the option, subject to the holder's continued employment or service by or for the Group, will vest 25% on the first anniversary of the date of grant and will vest in 1/36 portions for the then next 36 months thereafter on the last business day of each calendar month;
- (vi) unless the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, and notwithstanding anything else to the contrary in section (8)(v) hereof, the option may vest, in full, in the sole discretion of the compensation committee of the Board, upon a change of control of the Group;
- (vii) the applicable option award or other applicable share option agreement (which has been approved by the compensation committee of the Board) expressly provides otherwise, the expiration or termination date of the option will be the fifth anniversary of the date of grant of the option, provided, however, that each incentive stock option granted to a 10% owner-employee must terminate no later than the fifth anniversary of the date of grant;
- (viii) upon a participant's death, the option may be exercised by the person or persons to whom such participant's rights under the option pass by will or by applicable law or, if no such person has such rights, by his or her executor or administrator.

Corporate Governance and Other Information

(9) Share appreciation rights

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each share appreciation right, including but not limited to:

- (i) the number of shares to which the share appreciation right relates;
- (ii) the grant price, provided, however, that the grant price must not be less than the fair market value of the shares subject to the share appreciation right as determined on the date of grant;
- (iii) the terms and conditions of exercise or maturity;
- (iv) the termination date, provided, however, that a share appreciation right must terminate no later than the fifth anniversary of the date of grant;
- (v) whether the share appreciation right will be settled in cash, shares, or a combination thereof;
- (vi) upon a participant's death, the share appreciation right may be exercised by the person or persons to whom such participant's rights under the share appreciation right pass by will or by applicable law or, if no such person has such rights, by his or her executor or administrator.

(10) Restricted shares

Subject to the terms and conditions of the Pre-IPO Equity Incentive Plan, the compensation committee of the Board must determine all terms and conditions of each award of restricted shares, including but not limited to:

- (i) the number of shares to which the award relates;
- (ii) the period of time over which, and/or the criteria or conditions that must be satisfied so that, the risk of forfeiture and/or restrictions on transfer imposed on the restricted shares will lapse;
- (iii) with respect to awards of restricted shares, the manner of registration of certificates for such shares, and whether to hold in escrow such certificates pending lapse of the risk of forfeiture and/or restrictions on transfer, or to issue such shares with an appropriate legend referring to such restrictions;
- (iv) with respect to awards of restricted shares, whether dividends paid with respect to such shares are paid immediately or held in escrow or otherwise defined, and whether such dividends are subject to the same terms and conditions as the awards to which they related, all in a manner to avoid giving rise to additional taxes under US Tax Code Section 409A.

Corporate Governance and Other Information

Details of the movements of the outstanding share options granted under the Pre-IPO Equity Incentive Plan during the six months ended 30 June, 2025 are as follows:

										Weighted average closing price of the Shares immediately before the dates on which the share options were exercised (HK\$)
Date of grant	Expiry date	Vesting period	Exercise price per Share (US\$)	Number of share options					At June 30, 2025	
				At January 1, 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period		
Directors										
Dr. Yang Lu ⁽⁷⁾										
Tranche 2020-1	December 15, 2020	December 28, 2029	Note 1	2.35	675,000	–	–	–	675,000	–
Tranche 2021-5	July 12, 2021	December 30, 2030	Note 1	3.50	1,100,000	–	–	–	1,100,000	–
Tranche 2021-6	September 30, 2021	December 30, 2030	Note 1	3.55	150,000	–	–	–	150,000	–
Five highest paid individuals in aggregate (excluding those who are Directors)										
Tranche 2017-3	September 1, 2017	December 30, 2025	Note 3	1.356	305,000	–	–	–	305,000	–
Tranche 2018-2	August 28, 2018	December 30, 2027	Note 1	1.45	470,000	–	–	–	470,000	–
Tranche 2019-2	August 1, 2019	December 30, 2028	Note 1	1.75	100,000	–	–	–	100,000	–
Tranche 2020-2	July 30, 2020	December 28, 2029	Note 4	1.75	700,000	–	–	–	700,000	–
Tranche 2020-3	August 17, 2020	December 28, 2029	Note 1	1.75	100,000	–	–	–	100,000	–
Tranche 2020-5	December 15, 2020	December 28, 2029	Note 1	2.35	100,000	–	–	–	100,000	–
Tranche 2021-4	January 26, 2021	December 30, 2030	Note 1	2.35	10,000	–	–	–	10,000	–
Tranche 2021-5	July 12, 2021	December 30, 2030	Note 1	3.50	350,000	–	–	–	350,000	–
Other grantees										
Tranche 2016-1	October 3, 2016	December 30, 2025	Note 1	1.356	547,500	–	–	–	547,500	–
Tranche 2016-2	October 3, 2016	December 30, 2025	Note 3	1.356	535,000	–	–	–	535,000	–
Tranche 2017-2	February 28 & September 1, 2017	December 30, 2025	Note 1	1.356	421,050	–	–	–	421,050	–
Tranche 2017-3	September 1, 2017	December 30, 2025	Note 3	1.356	393,500	–	–	–	393,500	–
Tranche 2017-4	February 28, 2017	December 30, 2025	Note 2	1.356	100,000	–	–	–	100,000	–
Tranche 2018-2	August 28, & October 1, 2018	December 30, 2027	Note 1	1.45	1,010,000	–	–	–	1,010,000	–
Tranche 2018-3	November 8, 2018	December 30, 2027	Note 1	1.60	216,000	–	–	–	216,000	–
Tranche 2019-2	March 28 & August 1, 2019	December 30, 2028	Note 1	1.75	79,000	–	–	–	79,000	–
Tranche 2020-1	July 30 2020	December 28, 2029	Note 1	1.75	50,000	–	–	–	50,000	–
Tranche 2020-1	July 30 & August 1, 2020	December 28, 2029	Note 5	1.75	421,000	–	–	–	421,000	–
Tranche 2020-2	July 30, 2020	December 28, 2029	Note 4	1.75	750,000	–	–	–	750,000	–
Tranche 2020-4	December 15, 2020	December 28, 2029	Note 1	2.35	75,000	–	–	–	75,000	–
Tranche 2020-5	November 5, 9, 16 & December 15, 2020	December 28, 2029	Note 1	2.35	409,600	–	–	–	409,600	–
Tranche 2021-2	April 15, 2021	December 30, 2030	Note 4	2.35	7,500	–	–	–	7,500	–
Tranche 2021-3	April 15, 2021	December 30, 2030	Note 4	2.35	7,500	–	–	–	7,500	–
Tranche 2021-4	January 26 & April 15, 2021	December 30, 2030	Note 1	2.35	144,950	–	–	–	144,950	–
Tranche 2021-5	July 12, 2021	December 30, 2030	Note 1	3.50	1,484,700	–	–	–	1,484,700	–
Tranche 2021-6	September 30, 2021	December 30, 2030	Note 1	3.55	111,045	–	–	–	111,045	–
					10,823,345	–	–	–	–	10,823,345

Corporate Governance and Other Information

Notes:

- (1) 12/48 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/48 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.
- (2) 12/36 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/36 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.
- (3) 12/24 of the share options vest on the last business day of the calendar month which includes the first anniversary of the grant date, and thereafter 1/24 of the share options vests on the last business day of each calendar month thereafter until the share option is vested in full. In the event of the Listing, all share options shall vest in full.
- (4) The share option vest upon achieving certain research and development milestones. In the event of the Listing, all options shall vest.
- (5) The share options vest on the date of grant.
- (6) The unvested portion of share options granted under the Pre-IPO Equity Incentive Plan vested immediately upon fulfillment of milestone of the completion of Listing on December 30, 2021.
- (7) Dr. Yang Lu resigned as a non-executive Director with effect from February 5, 2025.

RSU Scheme

On April 22, 2022, the Board approved the adoption of the RSU Scheme to incentivize skilled and experienced personnel, and to recognize the contributions of the eligible participants of the Group. The RSU Scheme is initially valid and effective for the period commencing on the adoption date (i.e. April 22, 2022) and ending on the business day immediately prior to the 10th anniversary of the adoption date. The RSU Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules when it was adopted. As of the date of this interim report, the Company can no longer make any grant of awards under the RSU Scheme unless the RSU Scheme is revised to comply with Chapter 17 of the Listing Rules.

The principal terms of the RSU Scheme are set out below.

(1) Purpose

The purposes of the RSU Scheme are to:

- (i) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;
- (ii) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;

Corporate Governance and Other Information

- (iii) encourage and retain such individuals for the continual operation and development of the Group;
- (iv) provide additional incentives for them to achieve performance goals;
- (v) attract suitable personnel for further development of the Group; and
- (vi) motivate the eligible participants to maximize the value of the Company for the benefits of both the eligible participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the eligible participants directly to the Shareholders through ownership of Shares.

(2) Effective and Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the RSU Scheme, the RSU Scheme shall be valid and effective for a period of 10 years commencing on the RSU Scheme Adoption Date, after which no awards will be granted, but the provisions of the RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the RSU Scheme may continue to be valid and vest in accordance with their respective terms of grant. The remaining life of the RSU Scheme is 6.7 years.

(3) Administration

The Board shall have the sole and absolute right to, among other things, interpret and construe the provisions of the RSU Scheme, determine the Senior Grantees who will be granted awards under the RSU Scheme, the terms and conditions on which awards are granted to Senior Grantees and when the RSUs granted to Senior Grantees pursuant to the RSU Scheme may vest. The Chief Executives shall have the sole and absolute right to, among other things, determine the Junior Grantees who will be granted awards under the RSU Scheme, the terms and conditions on which awards are granted to Junior Grantees and when the RSUs granted to Junior Grantees pursuant to the RSU Scheme may vest.

The Company may appoint a trustee to assist with the administration and vesting of RSUs granted pursuant to the RSU Scheme. The Administrative Committee may (i) exercise the mandate granted by the Shareholders at general meetings of the Company and direct the Company to allot and issue Shares to the trustee to be held by the trustee to satisfy the RSUs upon vesting; and/or (ii) direct and procure the trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the RSUs upon exercise. The trustee will receive new Shares or purchase existing Shares only when there is a particular grant of RSUs. The Company shall procure that sufficient funds are provided to the trustee by whatever means as the Administrative Committee may determine to enable the trustee to satisfy its obligations in connection with the administration of the RSU Scheme.

Corporate Governance and Other Information

(4) Eligible Participants and Grant of Awards

(I) *Eligible participants*

Eligible participants of the RSU Scheme include the following:

- (i) any employee (whether full time or part time), executive, officer, director (including executive, non-executive and independent non-executive directors) of any member of the Group or any Related Entity; and
- (ii) any consultant, advisor, or agent of any member of the Group or of any Related Entity who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Related Entity.

(II) *Grant of awards*

The Board and the Chief Executives (as the case may be) shall be entitled at any time during the term of the RSU Scheme to make a grant to any eligible participant, as the Board or the Chief Executives (as the case may be) may in its absolute discretion determine. The amount of an award of RSUs may be determined at the sole and absolute discretion of the Board and the Chief Executives (as the case may be) and may differ among selected eligible participant.

Awards may be granted on such terms and conditions (such as by linking the vesting of the RSUs to the attainment or performance of milestones or targets by any member of the Group, the RSU grantee or any group of RSUs grantees) as the Board and the Chief Executives (as the case may be) may determine, provided such terms and conditions shall be consistent with any other terms and conditions of the RSU Scheme and shall be set out in the notice of RSU grant issued by the Company.

The consideration (if any) payable by a selected eligible participant to the trustee for acceptance of the award under the RSU Scheme shall be determined at the sole and absolute discretion of the Board (in the case of Senior Grantees) or the Chief Executives (in the case of Junior Grantees), and shall be payable within such period as prescribed by the RSU Scheme. Any such consideration shall be held by the trustee as income of the trust fund and be applied by the trustee as it deems appropriate or desirable in accordance with the terms of the RSU Scheme and the trust deed.

(5) Maximum Number of Shares Available for Awards

(I) *RSU Scheme Limit*

Pursuant to the scheme rules of the RSU Scheme, the Board shall not make any further award of RSUs which will result in the number of Shares awarded under the RSU Scheme exceeding 10% of the issued Shares as at the RSU Scheme Adoption Date (i.e. the RSU Scheme Limit). The granting of awards is also subject to an annual limit of 3% of the total issued Shares as at the RSU Scheme Adoption Date, unless otherwise approved by the Shareholders.

Corporate Governance and Other Information

Any Share covered by an award (or any portion of an award) which is forfeited, cancelled or expired (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the RSU Scheme Limit. Shares that actually have been issued under the RSU Scheme pursuant to an award of RSUs shall not be returned to the RSU Scheme and shall not become available for future issuance under the RSU Scheme, except (i) otherwise permitted by the RSU Scheme, and (ii) that if unvested Shares are forfeited, or repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the RSU Scheme.

Pursuant to the transitional arrangements published by the Hong Kong Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may only grant awards until the second annual general meeting after January 1, 2023. Accordingly, the Company can no longer make new grants under the RSU Scheme, unless the RSU Scheme is revised to comply with Chapter 17 of the Listing Rules.

(II) *Maximum entitlement of each eligible participant*

The maximum number of Shares which may be awarded to any one eligible participant under the RSU Scheme may not exceed 1% of the issued Shares as at the RSU Scheme Adoption Date.

(6) Vesting of Awards

Subject to the terms of the RSU Scheme and any additional requirement under the Listing Rules and the specific terms and conditions applicable to each award of RSUs (including performance milestones or targets, if applicable), the RSUs granted in an award shall be determined by the Board or the Chief Executives (as the case may be). If the performance milestones or targets and/or other conditions determined by the Board or the Chief Executives (if any) are not satisfied, the RSU shall automatically lapse on the date on which any such condition is not satisfied, as determined by the Board or the Chief Executives (as the case may be) in its/his sole and absolute discretion.

The RSUs which have vested shall be satisfied at the sole and absolute discretion of the Board or the Chief Executives (as the case may be) within a reasonable period from the vesting date of such RSUs, either by: (a) the Administrative Committee directing and procuring the trustee to transfer the Shares underlying the RSUs to the RSU grantee or his wholly owned entity (as represented by the RSU grantee) from the trust fund; and/or (b) the Administrative Committee directing and procuring the trustee to pay to the RSU grantee in cash an amount which is equivalent to the market value of the Shares, pursuant to the terms of the RSU Scheme.

Corporate Governance and Other Information

Details of the movements of the outstanding RSUs granted under the RSU Scheme during the six months ended June 30, 2025 are as follows:

Date of grant	Vesting period	Exercise period	Purchase price per Share (HK\$)	Number of RSUs					At June 30, 2025	Weighted average closing price of the Shares immediately before the dates on which the RSUs were vested (HK\$)	
				At January 1, 2025	Granted during the period	Vested during the period	Cancelled during the period	Lapsed during the period			
DIRECTORS											
Senior Grantees											
Dr. Yang Lu ⁽⁸⁾											
Tranche 2022-2	November 24, 2022	Note 1	Note 2	—	8,700	—	—	—	(8,700)	—	—
OTHER EMPLOYEE PARTICIPANTS											
Five highest paid individuals in aggregate (excluding those who are Directors)											
Tranche 2022-2	November 24, 2022	Note 1	Note 2	—	16,526	—	—	—	—	16,526	—
Other Senior Grantees											
Tranche 2022-2	November 24, 2022	Note 1	Note 2	—	3,850	—	—	—	(3,850)	—	—
Other Junior Grantees											
Tranche 2022-2	November 24, 2022	Note 1	Note 2	—	26,994	—	—	—	(4,654)	22,340	—
					56,070	—	—	—	(17,204)	38,866	—

Notes:

- (1) 25% of the Tranche 2022–2 RSUs granted shall vest on each of the first, second, third and fourth anniversary of the date of grant respectively.
- (2) The RSUs shall be valid from the grant date and shall continue for a period of 10 years from the date of grant.
- (3) The closing price of the Shares immediately before the date on which the RSUs were granted was HK\$57.8 per Share.
- (4) The grant date fair value of each Tranche 2022–2 RSU was approximately US\$6.82–US\$7.50. The accounting standards and policies adopted are set out in note 3 to the condensed consolidated financial statements. The methodology and assumptions used are disclosed in note 21 to the condensed consolidated financial statements.
- (5) Upon the adoption of the RSU Scheme on April 22, 2022, RSUs in respect of a total of 8,904,023 Shares, may be granted under the RSU Scheme Limit.
- (6) On June 28, 2022, the RSU annual mandate was granted by the Shareholders to the Directors at an extraordinary general meeting of the Company, pursuant to which the maximum number of new Shares which may be issued under the RSU annual mandate is 2,671,206. As at January 1, 2025 and June 30, 2025, such RSU annual mandate has expired.
- (7) As at the date of this interim report, the total number of Shares available for issue pursuant to the grant of further RSUs under the RSU Scheme is 0, representing 0% of the issued Shares as pursuant to the transitional arrangements published by the Hong Kong Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may only grant awards until the second annual general meeting after January 1, 2023. Accordingly, the Company can no longer make new grants under the RSU Scheme, unless the RSU Scheme is revised to comply with Chapter 17 of the Listing Rules.
- (8) Dr. Yang Lu resigned as a non-executive Director with effect from February 5, 2025.

Corporate Governance and Other Information

Share Option Scheme

On June 28, 2022, the Shareholders resolved to adopt the Share Option Scheme. The Share Option Scheme constitutes a share option scheme under Chapter 17 of the Listing Rules. Pursuant to the transitional arrangements published by the Stock Exchange in connection with the consultation conclusion for the revised Chapter 17 of the Listing Rules, the Company may continue to make further grants of options under the Share Option Scheme using the existing scheme mandate granted by the Shareholders on June 28, 2022.

The principal terms of the Share Option Scheme are set out below.

(1) Purpose

The purposes of the Share Option Scheme are to:

- (i) recognize the contributions by the eligible participants with an opportunity to acquire a proprietary interest in the Company;
- (ii) encourage and retain such individuals for the continual operation and development of the Group;
- (iii) provide additional incentives for them to achieve performance goals;
- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate the eligible participants to maximize the value of the Company for the benefits of both the eligible participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the eligible participants directly to the Shareholders through ownership of Shares.

(2) Effective and Duration

The Share Option Scheme shall take effect on the date of the passing of an ordinary resolution to approve the adoption of the Share Option Scheme by the Shareholders in general meeting, provided that the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of share options granted under the Share Option Scheme.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Share Option Scheme Adoption Date, after which period no further share options will be granted under the Share Option Scheme, but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. The remaining life of the Share Option Scheme is 6.7 years.

Corporate Governance and Other Information

(3) Administration

The Board shall have the sole and absolute right to, among other things, interpret and construe the provisions of the Share Option Scheme, determine the Senior Grantees who will be offered share options under the Share Option Scheme and the subscription price in relation to such share options in accordance with the provisions of the Share Option Scheme. The Chief Executives shall have the sole and absolute right to, among other things, determine the Junior Grantees who will be offered share options under the Share Option Scheme and the subscription price in relation to such share options in accordance with the provisions of the Share Option Scheme.

The Administrative Committee shall be responsible for, among other things, applying to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of share options under the Share Option Scheme on the Hong Kong Stock Exchange and other administrative work of the Share Option Scheme as delegated by the Board and the Chief Executives from time to time.

(4) Eligible Participants and Making and Acceptance of a Grant

Eligible participants of the Share Option Scheme include the following:

- (i) any employee (whether full time or part time, and include persons who are granted share options as an inducement to enter into employment contracts with the Group), executive, officer or director (including executive, non-executive and independent non-executive directors) of any member of the Group or any Related Entity; and
- (ii) any consultant, advisor or agent of any member of the Group or of any Related Entity who, in the sole opinion of the Board, have contributed or will contribute to the growth and development of the Group or any Related Entity.

The Board (in the case of Senior Grantees) and the Chief Executives (in the case of Junior Grantees) shall be entitled at any time during the operation of the Share Option Scheme, at its/his sole and absolute discretion, to make an offer of share options to an eligible participants by letter in such form as the Board or the Chief Executives (as the case may be) may from time to time determine. An amount of HK\$1.00 is payable by the share option grantee to the Company upon acceptance of the offer of share options within such period as prescribed by the Share Option Scheme, and such remittance shall not be refundable and shall not be deemed to be a part payment of the subscription price.

Corporate Governance and Other Information

(5) Maximum Number of Shares Available for Subscription

(I) Share Option Scheme Limit

The total number of Shares which may be issued upon exercise of all share options that may be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the issued Shares as of the Share Option Scheme Adoption Date (i.e. the Share Option Scheme Limit), unless the Company obtains the approval of the Shareholders in accordance with the terms of the Share Option Scheme in sub-paragraph (II) below to refresh the Share Option Scheme Limit. Share options lapsed in accordance with the terms of the Share Option Scheme shall not be counted for the purpose of calculating the Share Option Scheme Limit.

(II) Refreshment of Share Option Scheme Limit

Subject to any additional requirement under the Listing Rules, the Company may seek the approval of the Shareholders in general meeting to refresh the Share Option Scheme Limit. Share options previously granted under the Share Option Scheme, including share options outstanding, cancelled or lapsed in accordance with the relevant option scheme or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed.

The Company may seek separate approval by the Shareholders in general meeting to grant share options beyond the Share Option Scheme Limit, provided that such share options are granted only to participants specifically identified by the Company and any other applicable requirements under the Listing Rules are complied with before the approval of the Shareholders is sought.

(III) Maximum number of Shares issued pursuant to share options

The maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share options granted and yet to be exercised under any other schemes of the Company shall not exceed 30% of the issued Shares from time to time.

(IV) Maximum entitlement of each eligible participants

Subject to any additional requirement under the Listing Rules, where any new grant of share options to any eligible participants, when aggregated with all share options granted to such eligible participants (excluding any share options lapsed in accordance with the terms of the relevant schemes) in the 12-month period up to and including the share option grant date of such new grant, would result in the total number of Shares issued and to be issued to such eligible participants in aggregate exceeding over 1% of the issued Shares as at the share option grant date of such new grant, such new grant of share options must be separately approved by the Shareholders in general meeting with such eligible participants and his/her close associates (or associates if the eligible participants is a connected person of the Company) abstain from voting.

Corporate Governance and Other Information

(6) Subscription Price

The subscription price shall be a price determined by the Board or the Chief Executives (as the case may be) and notified to any share option grantee (subject to any adjustments made pursuant to the “Changes in Capital Structure” clause of the Share Option Scheme) which shall be not less than the highest of:

- (i) the closing price of a Share as stated in the Hong Kong Stock Exchange’s daily quotations sheet on the share option grant date of the relevant share options, which must be a Business Day;
- (ii) an amount equivalent to the average closing price of a Share as stated in the Hong Kong Stock Exchange’s daily quotation sheets for the 5 Business Days immediately preceding the share option grant date of the relevant share options; and
- (iii) the nominal value per Share on the share option grant date.

(7) Vesting and Exercise Period

The Board or the Chief Executives (as the case may be) may specify the exercise period, vesting schedule and conditions (including performance milestones or targets, if applicable) of the share options in the share option grant letter, provided, however, that all share options shall automatically lapse upon the expiry of the 10th anniversary of the share option grant date. Unless the share options have been withdrawn and cancelled or been forfeited in whole or in part, and subject to the provisions in the Share Option Scheme, the share option grantee may exercise his rights under the Share Option Scheme according to the vesting schedule set out in the relevant share option grant letter.

Corporate Governance and Other Information

Details of the movements of the outstanding share options granted under the Share Option Scheme during the six months ended June 30, 2025 are as follows:

										Weighted average closing price of the Shares immediately before the dates on which the share options were exercised (HK\$)	
Date of grant	Vesting period	Exercise period	Exercise price per Share (HK\$)	Number of share options					At June 30, 2025		
				At January 1, 2025	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period			
DIRECTORS											
Senior Grantees											
Dr. Yang Lu ⁽¹⁰⁾											
Tranche 2022-1	November 24, 2022	Note 1	Note 3	58.9	101,000	–	–	–	–	101,000	–
Tranche 2022-2	November 24, 2022	Note 2	Note 3	58.9	117,600	–	–	–	(58,800)	58,800	–
OTHER EMPLOYEE PARTICIPANTS											
Five highest paid individuals in aggregate (excluding those who are Directors)											
Tranche 2022-1	November 24, 2022	Note 1	Note 3	58.9	93,000	–	–	–	–	93,000	–
Tranche 2022-2	November 24, 2022	Note 2	Note 3	58.9	130,800	–	–	–	–	130,800	–
Other Senior Grantees											
Tranche 2022-1	November 24, 2022	Note 1	Note 3	58.9	138,400	–	–	–	–	138,400	–
Tranche 2022-2	November 24, 2022	Note 2	Note 3	58.9	81,911	–	–	–	(19,476)	62,435	–
Junior Grantee — Connected Person											
Dr. Xianbin Yang											
Tranche 2022-1	November 24, 2022	Note 1	Note 3	58.9	2,000	–	–	–	–	2,000	–
Tranche 2022-2	November 24, 2022	Note 2	Note 3	58.9	2,750	–	–	–	–	2,750	–
Other Junior Grantees											
Tranche 2022-1	November 24, 2022	Note 1	Note 3	58.9	24,625	–	–	–	–	24,625	–
Tranche 2022-2	November 24, 2022	Note 2	Note 3	58.9	187,467	–	–	–	(12,278)	175,189	–
					879,553	–	–	–	(90,554)	788,999	

Corporate Governance and Other Information

Notes:

- (1) 50% of the Tranche 2022-1 share options granted shall vest on each of the first and second anniversary of the date of grant respectively.
- (2) 25% of the Tranche 2022-2 and Tranche 2023-1 share options granted shall vest on each of the first, second, third and fourth anniversary of the date of grant respectively.
- (3) The share options shall be valid from the grant date and shall continue for a period of 10 years from the date of grant.
- (4) The closing price of the Shares immediately before the date on which the Tranche 2022-1 and Tranche 2022-2 share options were granted was HK\$57.8 per Share. The closing price of the Shares immediately before the date on which the Tranche 2023-1 share options were granted was HK\$46.0 per Share.
- (5) The grant date fair value of each Tranche 2022-1 share option was approximately US\$3.95–US\$4.63. The grant date fair value of each Tranche 2022-2 share option was approximately US\$4.26–US\$4.93. The grant date fair value of each Tranche 2023-1 share option was approximately US\$3.54–US\$3.78. The accounting standards and policies adopted are set out in note 3 to the condensed consolidated financial statements. The methodology and assumptions used are disclosed in note 21 to the condensed consolidated financial statements.
- (6) Upon the adoption of the Share Option Scheme on June 28, 2022, share options to subscribe for a total of 8,904,023 Shares, may be granted under the Share Option Scheme Limit.
- (7) As at January 1, 2025 and June 30, 2025, share options to subscribe for a total of 8,024,470 and 8,115,024 Shares, respectively, were available for grant under the Share Option Scheme Limit.
- (8) As at the date of this interim report, the total number of Shares available for issue upon exercise of all outstanding share options granted under the Share Option Scheme is 766,473, representing approximately 0.73% of the issued Shares.
- (9) As at the date of this interim report, the total number of Shares available for issue pursuant to the grant of further share options under the Share Option Scheme is 8,137,550, representing approximately 7.74% of the issued Shares.
- (10) Dr. Yang Lu resigned as a non-executive Director with effect from February 5, 2025.

The number of Shares that may be issued in respect of options and awards granted under all schemes of the Company during the six months ended June 30, 2025 divided by the weighted average number of Shares of the Company for the six months ended June 30, 2025 is 0% as no option or award was granted under all schemes of the Company during the six months ended June 30, 2025.

Corporate Governance and Other Information

CHANGES IN THE INFORMATION OF DIRECTORS OR CHIEF EXECUTIVE OF THE COMPANY

The changes in the information of Directors or chief executive of the Company since December 31, 2024 and up to the date of this interim report are set out below:

1. Mr. Mincong Huang resigned as a non-executive Director with effect from January 1, 2025;
2. Ms. Shing Mo Han, Yvonne resigned as an independent non-executive Director with effect from January 1, 2025;
3. With effect from February 5, 2025, Dr. Yang Lu resigned as a non-executive Director and the Chief Scientific Officer, and Ms. Monin Ung was appointed as a member of the Nomination Committee and an Authorized Representative;
4. With effect from February 14, 2025, the emoluments of Dr. Poon Hung Fai and Mr. Jiankang Zhang have been adjusted. Each of Dr. Poon Hung Fai and Mr. Jiankang Zhang is entitled to an annual cash compensation of US\$200,000 and HK\$360,000, respectively, which has been determined by the Board as recommended by the Remuneration Committee with reference to the level of responsibilities undertaken and prevailing market conditions;
5. With effect from February 17, 2025, Mr. Wong Yu Shan Eugene was appointed as an independent non-executive Director and the chairperson of the Audit Committee, and is entitled to an annual cash compensation of HK\$360,000, and Dr. Poon Hung Fai was appointed as a member of the Nomination Committee;
6. Dr. Cheung Hoi Yu was appointed as a member of the Audit Committee with effect from February 19, 2025;
7. Mr. Jiankang Zhang resigned as a non-executive Director and a member of the Remuneration Committee with effect from June 21, 2025;
8. Dr. Cheung Hoi Yu was appointed as an independent non-executive director and a member of each of the audit committee and the nomination committee of Medtide Inc., a company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 3880), with effect from June 30, 2025; and
9. With effect from July 3, 2025, Mr. Ouyang Yunlong was appointed as a non-executive Director and Dr. Zhang Peng was appointed as an independent non-executive Director.

Save as disclosed above, as of the date of this interim report, there is no change in information of the Directors or chief executive of the Company which shall be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Corporate Governance and Other Information

Non-Compliance with Rules 3.10(1), 3.10(2), 3.21 and 3.27A of the Listing Rules

As disclosed in the announcement of the Company dated January 1, 2025, following the resignation of Ms. Shing Mo Han, Yvonne as an independent non-executive Director, the chairperson and a member of the Audit Committee and a member of the Nomination Committee and the resignation of Mr. Mincong Huang as a non-executive Director and a member of the Audit Committee, the Company has not complied with Rules 3.10(1), 3.10(2), 3.21 and 3.27A of the Listing Rules. Upon the appointment of Ms. Monin Ung as a member of the Nomination Committee on February 5, 2025, the appointment of Mr. Wong Yu Shan, Eugene as an independent non-executive Director and the chairperson of the Audit Committee on February 17, 2025 and the appointment of Dr. Cheung Hoi Yu as a member of the Audit Committee on February 19, 2025, the Company has re-complied with Rules 3.10(1), 3.10(2), 3.21 and 3.27A of the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at June 30, 2025, the interests and short positions of the Directors and the chief executive of the Company in any of the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares and underlying Shares

Name of Director or chief executive	Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of interest in the Company ⁽¹⁾
Dr. Poon Hung Fai	Beneficial interest	17,527,696 (L)	16.67%

Notes:

(L) denotes long position.

(1) The calculation is based on the total number of 105,166,176 issued Shares as at June 30, 2025.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at June 30, 2025, so far as the Directors are aware, the following persons (other than the Directors and chief executive of the Company) had or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of substantial shareholders	Nature of interest	Number of Shares/ underlying Shares	Approximate percentage of interest in the shareholding ⁽¹⁾
Dr. Yang Lu	Beneficial interest; Settlor of a discretionary trust ⁽²⁾	10,586,582 (L)	10.07%

Notes:

(L) denotes long position.

(1) The calculation is based on the total number of 105,166,176 issued Shares as at June 30, 2025.

(2) Dr. Yang Lu ("Dr. Lu") is the settlor of The Yang Lu Family Trust and the beneficiaries of The Yang Lu Family Trust are Zheng Joan Wang and Laura Yao Lu, being Dr. Lu's spouse and daughter, respectively. Zheng Joan Wang and Laura Yao Lu are co-trustees of The Yang Lu Family Trust. Therefore, Dr. Lu is deemed to be interested in the 2,500,000 Shares held by The Yang Lu Family Trust. Under the SFO, the deemed interest of Dr. Lu consists of: (i) 2,500,000 Shares held by The Yang Lu Family Trust; (ii) 6,001,782 Shares beneficially owned by Dr. Lu; (iii) options granted to him to subscribe for 1,925,000 Shares under the Pre-IPO Equity Incentive Plan; and (iv) options granted to him to subscribe for 159,800 Shares under the Share Option Scheme, subject to vesting conditions.

Save as disclosed above, as at June 30, 2025, the Company has not been notified of any other relevant interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury Shares) during the six months ended June 30, 2025. As of June 30, 2025, the Company did not hold any treasury Shares.

Corporate Governance and Other Information

MATERIAL LITIGATION

References are made to notes 14 and 25 to the condensed consolidated financial statements, the Company was not involved in any material litigation or arbitration during the six months ended June 30, 2025. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the six months ended June 30, 2025.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

USE OF PROCEEDS FROM SUBSCRIPTION OF SHARES

The Company (as issuer) entered into a subscription agreement with an individual subscriber, Dr. Poon Hung Fai, in respect of the subscription of 17,527,696 new Shares at the subscription price of HK\$3.36 per Share on October 2, 2024. The subscription price of HK\$3.36 per Share represents a discount of approximately 19.99999990% (being less than 20.0%) over the closing price of HK\$4.20 per Share as quoted on the Hong Kong Stock Exchange on the date of the subscription agreement.

The net proceeds received by the Company from the subscription of 17,527,696 new Shares taken place in October 2024 were approximately US\$7.5 million after deducting all applicable costs and expenses of the subscription. There was no change in the intended use of net proceeds as previously disclosed in the announcement of the Company dated October 3, 2024 and the Company intends to use the proceeds from the subscription for its general working capital. The Company will gradually utilize the residual amount of the net proceeds in accordance with such intended purpose based on actual business needs.

The table below sets forth a detailed breakdown and description of the use of net proceeds, as previously disclosed in the announcement of the Company dated October 3, 2024, as at June 30, 2025:

Purposes	% of use of net proceeds	Net proceeds from subscription (US\$ million)	Utilized net proceeds up to December 31, 2024	Net proceeds utilized during the Reporting Period	Unutilized net proceeds up to June 30, 2025	Estimated timeline for utilizing the net proceeds from subscription
			(US\$ million)	(US\$ million)	(US\$ million)	
For general corporate and working capital purposes	100%	7.5	–	0.7	6.8	By mid of 2026

Corporate Governance and Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has adopted and applied the code provisions of the CG Code set out in Appendix C1 to the Listing Rules. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the CG Code during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted its own code of conduct regarding securities transactions, which applies to all Directors and relevant employees of the Group who are likely to be in possession of unpublished price-sensitive information of the Company, on terms no less than the required standard indicated by the Model Code.

All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the Directors and relevant employees was noted during the Reporting Period.

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, being Mr. Wong Yu Shan, Eugene, Ms. Monin Ung and Dr. Cheung Hoi Yu. Mr. Wong Yu Shan, Eugene is the chairperson of the Audit Committee.

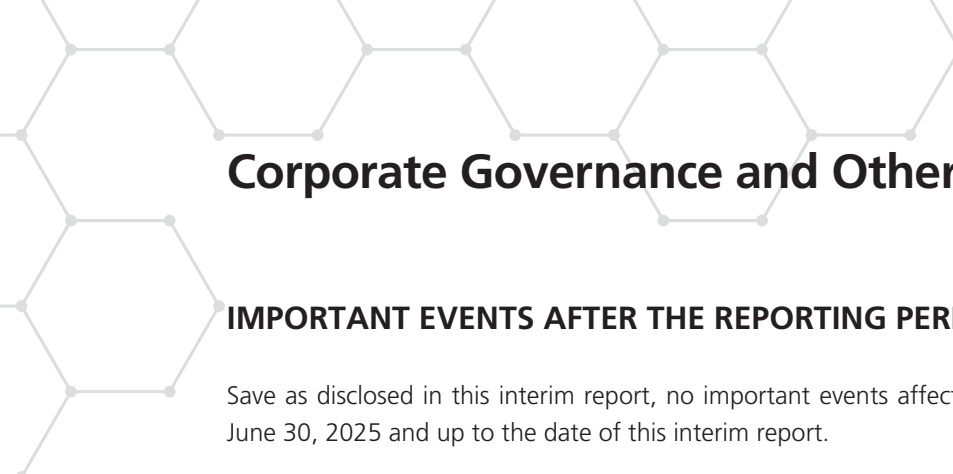
The Audit Committee had, together with the management of the Company, reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended June 30, 2025 and the accounting principles and policies adopted by the Group. The interim results have not been reviewed by the external auditor of the Company.

INTERIM DIVIDEND

The Board did not recommend the distribution of any interim dividend for the Reporting Period.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of material related party transactions of the Group undertaken in the normal course of business are set out in note 23 to the condensed consolidated financial statements, none of which falls under the definition of “Connected Transactions” or “Continuing Connected Transactions” under Chapter 14A of the Listing Rules.



Corporate Governance and Other Information

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this interim report, no important events affecting the Company have occurred since June 30, 2025 and up to the date of this interim report.

On behalf of the Board

Ms. Monin Ung

Chairlady

Hong Kong, August 28, 2025

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2025

		For the six months ended June 30,	
	Notes	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Other income	5	124	984
Other gains and losses	6	768	(23)
Changes in fair value of financial asset at fair value through profit or loss ("FVTPL")	14	—	(18,108)
Changes in fair value of financial liabilities at FVTPL		1,724	(1,389)
Administrative expenses		(2,553)	(10,160)
Research and development expenses		(3,045)	(14,251)
Other expenses		(4)	(7)
Finance costs	7	(402)	(539)
Loss before tax		(3,388)	(43,493)
Income tax expense	8	—	—
Loss for the period	9	(3,388)	(43,493)
Other comprehensive expense:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(22)	(394)
Other comprehensive expense for the period		(22)	(394)
Total comprehensive expense for the period		(3,410)	(43,887)
(Loss)/profit for the period attributable to:			
Owners of the Company		(3,698)	(41,065)
Non-controlling interests		310	(2,428)
		(3,388)	(43,493)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(3,718)	(41,455)
Non-controlling interests		308	(2,432)
		(3,410)	(43,887)
Loss per share	11		
— Basic and diluted (US\$)		(0.04)	(0.54)

Condensed Consolidated Statement of Financial Position

As at June 30, 2025

	Notes	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	6,075	6,893
Right-of-use assets	13	122	728
Intangible assets		690	730
Deposits	15	526	519
		7,413	8,870
CURRENT ASSETS			
Prepayments, deposits and other receivables	15	7,019	7,690
Cash and cash equivalents	16	6,872	11,769
		13,891	19,459
CURRENT LIABILITIES			
Trade and other payables	17	10,174	11,603
Contract liability	18	698	696
Deferred income		296	228
Lease liabilities		100	546
Financial liabilities at FVTPL	19	22,024	23,748
Bank borrowings		652	405
		33,944	37,226
NET CURRENT LIABILITIES		(20,053)	(17,767)
TOTAL ASSETS LESS CURRENT LIABILITIES		(12,640)	(8,897)
NON-CURRENT LIABILITIES			
Lease liabilities		6,459	7,107
NET LIABILITIES		(19,099)	(16,004)
CAPITAL AND RESERVES			
Share capital	20	105	105
Deficits		(5,223)	(1,785)
Deficits attributable to owners of the Company		(5,118)	(1,680)
Non-controlling interests		(13,981)	(14,324)
TOTAL DEFICITS		(19,099)	(16,004)

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	Attributable to owners of the Company											Total US\$'000
	Share capital US\$'000	Shares held for share option scheme US\$'000	Shares held for share award scheme US\$'000	Share premium US\$'000	Other reserves (Note i) US\$'000	Translation reserve US\$'000	Share option reserve US\$'000	Share award reserve US\$'000	Accumulated losses US\$'000	Sub-total US\$'000	Non- controlling interests US\$'000	
At January 1, 2024 (audited)	88	(11)	(1)	513,962	(12,561)	(3,229)	14,444	143	(472,639)	40,196	(15,739)	24,457
Loss for the period	-	-	-	-	-	-	-	-	(41,065)	(41,065)	(2,428)	(43,493)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(390)	-	-	-	(390)	(4)	(394)
Total comprehensive expense for the period	-	-	-	-	-	(390)	-	-	(41,065)	(41,455)	(2,432)	(43,887)
Recognition of share-based payment	-	-	-	-	-	-	960	541	-	1,501	98	1,599
Exercise of share options	-	-	-	3	-	-	(1)	-	-	2	-	2
At June 30, 2024 (unaudited)	<u>88</u>	<u>(11)</u>	<u>(1)</u>	<u>513,965</u>	<u>(12,561)</u>	<u>(3,619)</u>	<u>15,403</u>	<u>684</u>	<u>(513,704)</u>	<u>244</u>	<u>(18,073)</u>	<u>(17,829)</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2025

	Attributable to owners of the Company											Total US\$'000
	Share capital US\$'000	Shares held for share option scheme US\$'000	Shares held for share award scheme US\$'000	Share premium US\$'000	Other reserves (Note i) US\$'000	Translation reserve US\$'000	Share option reserve US\$'000	Share award reserve US\$'000	Accumulated losses US\$'000	Sub-total US\$'000	Non-controlling interests US\$'000	
At 1 January 2025 (audited)	105	(11)	(1)	522,517	(12,561)	(3,620)	15,897	16	(524,022)	(1,680)	(14,324)	(16,004)
(Loss)/profit for the period	-	-	-	-	-	-	-	-	(3,698)	(3,698)	310	(3,388)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(20)	-	-	-	(20)	(2)	(22)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(20)	-	-	(3,698)	(3,718)	308	(3,410)
Recognition of share-based payment	-	-	-	-	-	-	239	41	-	280	35	315
Lapse/forfeiture of share options	-	-	-	-	-	-	(63)	-	63	-	-	-
At June 30, 2025 (unaudited)	105	(11)	(1)	522,517	(12,561)	(3,640)	16,073	57	(527,657)	(5,118)	(13,981)	(19,099)

Note:

- i. Other reserves included 1) effect of series C warrants granted to non-controlling shareholders to convert their registered capital in a subsidiary, Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd.* 聖諾生物醫藥技術（蘇州）有限公司 (“**Suzhou Sirnaomics**”) to preferred shares of its holding company, namely, Sirnaomics, Inc. (“**US Sirnaomics**”), 2) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of issuance of subsidiary's equity and the relevant proceeds received, 3) differences between the carrying amounts of net assets attributable to the additional non-controlling interests at the date of conversion of Simple Agreements for Future Equity (“**SAFE**”) shares to ordinary shares of a subsidiary, RNAimmune, Inc. (“**RNAimmune**”), 4) differences between the decrease in the carrying amounts of net assets attributable to the non-controlling shareholders and the relevant consideration paid in the acquisition, 5) effect of group reorganization in connection with the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) which was completed on January 21, 2021 and 6) differences between the decrease in the carrying amounts of net assets attributable to the non-controlling shareholders and the relevant consideration paid in the acquisition of additional interest in a subsidiary, EDIRNA Inc. (“**EDIRNA**”), during the year ended December 31, 2023.

* The English name is for identification purpose only.

Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2025

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(4,893)	(15,365)
INVESTING ACTIVITIES		
Purchase and deposits paid for property, plant and equipment	(51)	(49)
Refund of rental deposit	–	124
Interest received	8	36
Proceeds from disposal of property, plant and equipment	47	90
NET CASH GENERATED FROM INVESTING ACTIVITIES	4	201
FINANCING ACTIVITIES		
Proceeds from exercise of share options	–	2
Proceeds from bank borrowings	276	416
Repayment of bank borrowings	(33)	–
Interest paid on lease liabilities	(87)	(539)
Interest paid on bank borrowings	(10)	–
Repayment of lease liabilities	(126)	(575)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	20	(696)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,869)	(15,860)
CASH AND CASH EQUIVALENTS AT JANUARY 1	11,769	23,884
Effect of foreign exchange rate changes	(28)	(288)
CASH AND CASH EQUIVALENTS AT JUNE 30	6,872	7,736
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,872	7,736

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

1. GENERAL INFORMATION

Sirnaomics Ltd. (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) effective from December 30, 2021. The respective address of the registered office and the principal place of business of the Company are disclosed in the corporate information section to the interim report.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are clinical stage biotechnology companies engaged in developing and commercializing of ribonucleic acid interference (“**RNAi**”) technology and multiple therapeutics.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (“**IAS 34**”) Interim Financial Reporting issued by the International Accounting Standards Board (“**IASB**”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The Group engages in developing and commercializing of RNAi technology and multiple therapeutics with certain drug candidates in different preclinical and clinical stages. The Group incurred a net loss of US\$3,388,000 and a net operating cash outflow of US\$4,893,000 for the six months ended June 30, 2025, and as of that date, the Group had cash and cash equivalents of US\$6,872,000, net current liabilities of US\$20,053,000 and net liabilities of US\$19,099,000. The Group’s ability to continue as a going concern is highly dependent on its ability to maintain minimal cash outflows from operations and sufficient financing resources to meet its financial obligations as and when they fall due. The Group is actively improving the liquidity and cashflow by implementing different plans and measures, including, but not limited to, the followings:

- (i) The Group is pursuing external funding through equity and debt financing to replenish the cash balance;
- (ii) The Group is exploring business development opportunities on its pipeline assets;
- (iii) The Group is implementing restructuring initiatives to further streamline the organizational structure, enhance operational efficiency, and align its resources more effectively with the Group’s strategic objectives to continue advancing its core products in order to reduce the cash outflow from the operating activities; and
- (iv) The Group’s non-wholly owned subsidiary, RNAimmune, will continue to seek equity and other alternative financing, including but not limited to issuance of preference shares, to finance its own operations and meet its own financial obligations without relying on the additional financing support from the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

2. BASIS OF PREPARATION (Continued)

The directors of the Company performed an assessment of the Group's future liquidity and cash flows, which included preparing a cash flow projection for the Group covering a period of 18 months till December 31, 2026 and a review of assumptions about the likelihood of success of the plans and measures being implemented to meet the Group's financing needs. When preparing the condensed consolidated financial statements for the period ended June 30, 2025, the directors, based on their assessment, are of the opinion that (a) the Group will be able to implement the restructuring initiatives in order to reduce the cash outflow from the operating activities and (b) RNAimmune will be able to obtain new source of external financing resources to finance its own operations and meet its own financial obligations, so that the Group has sufficient financial resources to finance its operations and to meet its financial obligations as and when they fall due at least twelve months from the date of approval of the condensed consolidated financial statements. Accordingly, the condensed consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

Significant uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. If the above-mentioned plans and measures could not be implemented successfully as planned, the Group would be unable to finance its operations or meet its financial obligations as and when they fall due in the ordinary course of business. The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern and adjustments might have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to reclassify non-current liabilities as current liabilities with consideration of the contractual terms, or to recognize a liability for any contractual commitments that may have become onerous, where appropriate. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

3. MATERIAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Application of new and amendments to IFRS Accounting Standards

In the current period, the Group has applied all the new and amendments to IFRS Accounting Standards which comprise International Financial Reporting Standards ("**IFRS**"), International Accounting Standards ("**IASs**") and interpretations issued by the International Accounting Standards Board ("**IASB**"), for the first time, which are mandatorily effective for the Group's accounting period beginning on January 1, 2025 for the preparation of the Group's condensed consolidated financial statements.

The Group has not early applied the new and amendments to IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and amendments to IFRS Accounting Standards but is not yet in a position to state whether these new and amendments to IFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. REVENUE AND SEGMENT INFORMATION

Revenue

The Group has not generated any revenue during the period.

Segment information

For the purpose of resource allocation and assessment of performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole. Accordingly the Group has only one single operating segment and no further analysis of the single segment is presented.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

4. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group's operations and non-current assets are mainly located at the United States of America (the "U.S.") and the mainland of the People's Republic of China (the "PRC"). Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Non-current assets excluding financial instruments	
	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
The U.S.	4,006	5,089
The PRC	2,860	3,228
Hong Kong	21	34
	<u>6,887</u>	<u>8,351</u>

5. OTHER INCOME

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Government grants (Note)	64	227
Rental income	14	–
Interest income from bank balances	8	36
Consultancy income	3	683
Others	35	38
	<u>124</u>	<u>984</u>

Note: For both periods, government grants include cash incentives specifically for research and development activities, which are recognized upon compliance with the relevant conditions where applicable.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

6. OTHER GAINS AND LOSSES

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Net foreign exchange loss	(3)	(1)
Gain (loss) on disposal of property, plant and equipment	18	(63)
Gain on termination of leases	–	41
Gain on lease modification	746	–
Others	7	–
	<u>768</u>	<u>(23)</u>

7. FINANCE COSTS

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Interest on lease liabilities	392	539
Interest on bank borrowings	10	–
	<u>402</u>	<u>539</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

8. INCOME TAX EXPENSE

The Company was incorporated in the Cayman Islands and is exempted from the Cayman Islands income tax.

Hong Kong Profits Tax of Sirnaomics (Hong Kong) Limited ("**HK Sirnaomics**") is calculated at 8.25% on the first Hong Kong Dollar ("**HK\$**") 2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the U.S. Tax Cuts and jobs Act, the U.S. corporate income tax rate has charged at flat rate of 21% during both periods presented. In addition, under the relevant rules of state taxes in Florida, Virginia, California, Massachusetts and Maryland of the U.S., the state tax rates are charged at ranging from 5.5% to 8.84% during the period (six months ended June 30, 2024: 5.5% to 8.84%).

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and implementation regulations of the EIT Law, the basic tax rate of the Company's PRC subsidiaries is 25% for both reporting periods.

Sirnaomics Biopharmaceuticals (Guangzhou) Co., Ltd.* 聖諾生物醫藥技術（廣州）有限公司 ("**Guangzhou Sirnaomics**") has been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Guangzhou City and relevant authorities in June 2017, December 2020 and December 2023 respectively, and have been registered with the local tax authorities for enjoying the reduced Enterprise Income Tax ("**EIT**") rate at 15% during the financial years from 2017 to 2026.

Suzhou Sirnaomics have been accredited as a "High and New Technology Enterprise" by the Science and Technology Bureau of Suzhou City and relevant authorities in October 2022, and have been registered with the local tax authorities for enjoying the reduced EIT rate at 15% for a term of three years. This tax benefit was obtained by Suzhou Sirnaomics in October 2022 for the financial years of 2022, 2023 and 2024.

No Hong Kong Profits Tax, U.S. corporate income and state taxes and EIT were provided as the group entities had no assessable profits for both periods.

* The English name is for identification purpose only.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

9. LOSS FOR THE PERIOD

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Loss for the year has been arrived at after charging:		
Outsourcing service fees included in research and development expenses	270	3,565
Amortization of intangible assets	42	42
Depreciation of property, plant and equipment	825	3,173
Depreciation of right-of-use assets	81	621
	948	3,836
Analyzed as:		
— charged in administrative expenses	220	873
— charged in research and development expenses	728	2,963
	948	3,836
Staff costs (including directors' remuneration)		
— Salaries and other allowances	2,248	6,402
— Retirement benefit scheme contributions	147	458
— Share-based payment expense	315	1,599
	2,710	8,459
Analyzed as:		
— charged in administrative expenses	1,252	3,083
— charged in research and development expenses	1,458	5,376
	2,710	8,459

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

10. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the interim period. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

11. LOSS PER SHARE

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

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(3,698)</u>	<u>(41,065)</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>93,694,108</u>	<u>76,018,628</u>

The weighted average number of ordinary shares for the purpose of basic loss per share shown above for the periods ended June 30, 2025 and 2024 has been arrived at after deducting the shares held by the trustee of the shares held for share option scheme and share award scheme of the Company and treasury shares held by the Company. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the six months ended June 30, 2025 and 2024, the different series of preferred shares issued by RNAimmune and the share options issued by the Company, RNAimmune and EDIRNA outstanding were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement US\$'000	Furniture and fixtures US\$'000	Laboratory equipment US\$'000	Vehicles US\$'000	Equipment and computers US\$'000	Assets under construction US\$'000	Total US\$'000
COST							
At December 31, 2023 (audited)	14,795	988	12,056	276	547	72	28,734
Additions	-	-	131	-	1	-	132
Disposals/written off	(316)	(92)	(99)	-	(34)	-	(541)
Exchange adjustments	(55)	(3)	(38)	(1)	(1)	-	(98)
At June 30, 2024 (unaudited)	14,424	893	12,050	275	513	72	28,227
DEPRECIATION AND IMPAIRMENT LOSS							
At December 31, 2023 (audited)	8,801	314	5,683	151	257	-	15,206
Provided for the period	1,315	55	1,722	23	58	-	3,173
Eliminated on disposals/written off	(221)	(33)	(100)	-	(34)	-	(388)
Exchange adjustments	(46)	(1)	(1)	-	-	-	(48)
At June 30, 2024 (unaudited)	9,849	335	7,304	174	281	-	17,943
CARRYING VALUES							
At June 30, 2024 (unaudited)	4,575	558	4,746	101	232	72	10,284
COST							
At December 31, 2024 (audited)	14,416	894	11,892	251	483	72	28,008
Additions	-	-	24	-	-	-	24
Disposals/written off	-	-	(7)	(105)	-	-	(112)
Exchange adjustments	5	1	26	-	1	-	33
At June 30, 2025 (unaudited)	14,421	895	11,935	146	484	72	27,953
DEPRECIATION AND IMPAIRMENT LOSS							
At December 31, 2024 (audited)	11,473	388	8,755	176	323	-	21,115
Provided for the period	218	51	508	13	35	-	825
Eliminated on disposals/written off	-	-	(5)	(78)	-	-	(83)
Exchange adjustments	4	1	15	-	1	-	21
At June 30, 2025 (unaudited)	11,695	440	9,273	111	359	-	21,878
CARRYING VALUES							
At June 30, 2025 (unaudited)	2,726	455	2,662	35	125	72	6,075

For the six months ended June 30, 2025, the Group acquired property, plant and equipment of approximately US\$24,000 which mainly consisted of laboratory equipment.

At June 30, 2025, the carrying amount of property, plant and equipment held by the Group secured against lease liabilities amounted to US\$756,000 (December 31, 2024: Nil).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

13. RIGHT-OF-USE ASSETS

	Leased properties US\$'000
As at January 1, 2025 (audited)	
Carrying amount	728
As at June 30, 2025 (unaudited)	
Carrying amount	122

During the six months ended June 30, 2025, the Group leases various offices and equipment for its operations. Lease contracts are entered into for fixed term of one to ten years (six months ended June 30, 2024: one to ten years). The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

14. FINANCIAL ASSET AT FVTPL

In 2022, HK Sirnaomics, a wholly owned subsidiary of the Company, subscribed for Class B non-voting, participating, non-redeemable shares (the “**Segregated Portfolio Shares**”) of a segregated portfolio of TradArt Flagship Investment SPC (the “**Fund**”) at a total subscription amount of US\$15,000,000. During the year ended December 31, 2023, HK Sirnaomics further subscribed for the Segregated Portfolio Shares of the Fund at a subscription amount of US\$5,000,000. The subscription fee of US\$150,000 has been paid to the Fund upon subscription and recognized in profit or loss for the year ended December 31, 2023. The Fund has appointed TradArt Asset Management Co., Limited, an independent third party of the Group, as its investment manager.

The main investment strategies of the Segregated Portfolio are to invest in initial public offerings candidates, secondary market stocks and debt instruments in countries including but not limited to, Hong Kong, the U.S. and the PRC.

The fair value of this investment fund was determined by adopting the net asset value approach. The investment manager determines the net asset values of the investment fund by using methodology based on relevant comparable data to quantify the adjustment from cost or latest transaction price where appropriate, or to justify that cost or latest transaction price is a proper approximation to fair value of the underlying investments held by the investment fund.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

14. FINANCIAL ASSET AT FVTPL (Continued)

The Board of directors of the Company was informed by the Investment Manager during 2024 of the Fund that, due to the potential default by the issuer (the “**Private Debt Issuer**”) of a private debt in which the Fund invested, the net asset value of the Fund is expected to incur a substantial adverse change (the “**Matter**”). The Board was further informed by the Investment Manager that it has initiated corresponding measures to the Matter, including appointing an auditor to carry out an audit on the financial information of the Private Debt Issuer. The Company is requesting for a detailed report from the Investment Manager on the updated net asset value of the Fund, including the audited financial information of the Private Debt Issuer. The Investment Manager reported a substantial loss in the Fund. The Board has established an investigation committee (the “**Investigation Committee**”), to investigate the Matter (the “**Investigation**”).

An independent forensics investigation firm, Alvarez & Marsal Disputes and Investigations Limited (“**Investigation Firm**”), has been engaged by the Investigation Committee to assist in its investigation into the circumstances surrounding the Matter to which an interim investigation report has been issued. For key findings of the Investigation Firm and other relevant information, please refer to the announcement of the Company dated January 14, 2025.

On April 10, 2024, the Company requested a full redemption of the remaining value of the Investment. It was not only until November 11, 2024, and after the commencement of an arbitration proceedings by HK Sirnaomics against the Investment Manager on August 23, 2024 at the Hong Kong International Arbitration Centre, that the Investment Manager and/or the Fund transferred a sum of US\$1,865,000, being the purported redemption, to HK Sirnaomics. The arbitration proceedings against the Investment Manager and TradArt Flagship Investment SPC are for the damages for breach of the contract. The tribunal has been constituted on November 8, 2024 and proceedings are under way. The Group’s management believed that the arbitration proceedings is still in pleading stage and the possibility of claims were not virtually certain and therefore no provision of the arbitration proceedings were considered necessary.

According to the Group’s accounting policy, financial asset at FVTPL is measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. Accordingly, the Group recorded a loss on fair value of financial asset at FVTPL of US\$18,178,000 upon redemption for the year ended December 31, 2024.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

14. FINANCIAL ASSET AT FVTPL (Continued)

As at June 30, 2025 and December 31, 2024, the Group had no financial asset at FVTPL.

	Financial asset at FVTPL US\$'000
At January 1, 2024 (audited)	20,043
Unrealized changes in fair value	(18,108)
At June 30, 2024 (unaudited)	1,935

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Prepayments to outsourced service providers	6,072	6,676
Prepayments for legal and other professional services	54	69
Rental deposits	607	737
Others receivables, net of allowance of credit losses	812	727
	7,545	8,209
Analyzed as:		
Current	7,019	7,690
Non-current	526	519
	7,545	8,209

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short term deposits for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates ranging from 0.001% to 3.8% (December 31, 2024: 0.001% to 3.8%)

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

17. TRADE AND OTHER PAYABLES

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
Trade payables	3,779	4,599
Accruals for outsourcing research and development fees	2,958	3,010
Accruals for other operating expenses	2,976	3,451
Accruals for staff costs	437	492
Payables for acquisition of property, plant and equipment	24	51
	6,395	7,004
	10,174	11,603

The credit period on purchase of materials or receiving services for research and development activities is usually within 90 days (December 31, 2024: 90 days). The following is an aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at June 30, 2025 US\$'000 (Unaudited)	As at December 31, 2024 US\$'000 (Audited)
0 to 30 days	42	475
31 to 60 days	25	403
61 to 90 days	22	180
Over 90 days	3,690	3,541
	3,779	4,599

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

18. CONTRACT LIABILITY

In 2021, the Group entered into a license agreement (the “**Agreement**”) with Walvax Biotechnology Co., Ltd. (“**Walvax**”) to co-develop small interfering RNA drugs targeting the influenza virus. Pursuant to the Agreement, the Group will grant the exclusive rights of license in the target drug in the territory covering Mainland China, Hong Kong, Macau and Taiwan plus research and development services to Walvax. The license and the research and development service are not distinct and they are accounted for as a performance obligation that is satisfied over time using input method. The consideration of the Agreement includes an upfront payment of RMB5,000,000 (approximately US\$698,000 (December 31, 2024: US\$696,000)), service payment for preclinical research and development services of RMB36,500,000, and variable considerations including milestone payments up to an aggregate amount of RMB100,000,000 and a sales based royalty.

As at June 30, 2025 and December 31, 2024, the Group had received an upfront fee of RMB5,000,000 (approximately US\$698,000 (December 31, 2024: US\$696,000)) which was recognized as a contract liability until the services have been delivered to the customer.

The directors of the Company expected the contract liability to be settled within normal operating cycles. Therefore, the amount is classified under current liabilities.

19. FINANCIAL LIABILITIES AT FVTPL

(i) Preferred Shares

RNAimmune was authorized to issue 50,000,000 preferred shares of US\$0.00001 par value per share, of which 7,936,509 and 15,000,000 authorized preferred shares were designated as series seed preferred shares (“**Series Seed Preferred Shares**”) and series A preferred shares (“**Series A Preferred Shares**”), respectively. The remaining 27,063,491 authorized preferred shares had not been designated as at June 30, 2025.

Preferred shares	Year of issue	Number of investor(s)	Total number of Preferred share issued	Subscription price per Preferred share	Total consideration
				US\$	US\$'000
Series Seed Preferred Shares	2021	7	7,936,509	1.26	10,000
Series A Preferred Shares	2022	8	7,553,390	3.09	23,340
			<u>15,489,899</u>		<u>33,340</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune

On March 29, 2021, RNAimmune entered into share purchase agreements of Series Seed Preferred Shares with US Sirnaomics and independent investors to issue 1,587,302 and 6,349,207 Series Seed Preferred Shares at a consideration of US\$2,000,000 and US\$8,000,000, respectively. As at June 30, 2025 and December 31, 2024, 7,936,509 Series Seed Preferred Shares were issued and outstanding.

On March 10, 2022, RNAimmune entered into share purchase agreements of Series A Preferred Shares with US Sirnaomics and independent investors to issue 2,588,997 and 6,258,891 Series A Preferred Shares at a consideration of US\$8,000,000 and US\$19,340,000, respectively. As at December 31, 2022, out of the 6,258,891 Series A Preferred Shares which the independent investors agreed to purchase, 4,964,393 Series A Preferred Shares with a total consideration of US\$15,340,000 were issued and outstanding. During the year ended December 31, 2023, the Company has entered into a termination agreement with an investor for the remaining 1,294,498 non-issued Series A Preferred Shares. As at June 30, 2025 and December 31, 2024, 7,553,390 Series A Preferred Shares were issued and outstanding.

No redemption rights are held by the holders of Series Seed Preferred Shares and Series A Preferred Shares and the other key terms of the Series Seed Preferred Shares and Series A Preferred Shares of RNAimmune are as follows:

(a) Voting Right

The voting, dividend and liquidation rights of ordinary shares are subject to and qualified by the rights, powers and preferences of Series Seed Preferred Shares and Series A Preferred Shares. Ordinary shares are entitled to one vote per share at all meetings of stockholders and there is no cumulative voting. On any matter presented to stockholders of RNAimmune for their action or consideration at any meeting of stockholders, each holder of outstanding Series Seed Preferred Shares and Series A Preferred Shares is entitled to the number of votes equal to the number of whole shares of ordinary shares into which Series Seed Preferred Shares and Series A Preferred Shares are convertible. Holders of Series Seed Preferred Shares and Series A Preferred Shares shall vote together with the holders of ordinary shares as a single class. Holders of ordinary shares, voting exclusively and as a separate class, shall be entitled to elect four directors of RNAimmune. Holders of ordinary shares, Series Seed Preferred Shares and Series A Preferred Shares vote together as a single class shall be entitled to elect the balance of the total number of directors of RNAimmune.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(b) Dividends

RNAimmune shall not declare, pay, or set aside any dividends on shares of any other class or series of capital stock, unless holders of Series Seed Preferred Shares and Series A Preferred Shares shall first receive a dividend in an amount at least equal to the product of (A) the dividend payable as if all shares had been converted into ordinary shares and (B) the number of shares of ordinary shares issuable upon conversion of a share of preferred shares calculated on the record date for determination of holders entitled to receive such dividend.

The dividend payable to holders of preferred shares pursuant to shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest dividend to, first, holders of Series A Preferred Shares and, second, holders of Series Seed Preferred Shares.

A dividend is payable only when funds are legally available therefore and only when, as and if declared by the board of directors of RNAimmune. RNAimmune is not obligated to pay a dividend. During the six months ended June 30, 2025 and 2024, the board of directors of RNAimmune has not declared any dividends.

(c) Liquidation Preference

In the event of any liquidation, dissolution or winding up of RNAimmune or a deemed liquidation event as defined in the amended and restated certificate of incorporation of RNAimmune, outstanding Series Seed Preferred Shares and Series A Preferred Shares are entitled to be paid in full out of RNAimmune's assets available for distribution before payment on ordinary shares in the following order: (i) on Series A Preferred Shares, the sum of (I) US\$3.09 and (II) any dividends accrued or declared but unpaid and (ii) on Series Seed Preferred Shares, the sum of (I) US\$1.26 and (II) any dividends accrued or declared but unpaid. If RNAimmune's assets available for distribution are insufficient to pay the full amount on a series of outstanding preferred shares, such series of preferred shares shall share ratably in any distribution of the assets available for distribution.

After payment of all preferential amounts on outstanding preferred shares, the remaining RNAimmune's assets are distributed among preferred shares and ordinary shares, pro rata based on the number of share held by each holder as if they had been converted to ordinary share immediately prior to such liquidation, dissolution or winding up of RNAimmune or deemed liquidation event.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(d) *Optional Conversion*

Holders of Series Seed Preferred Shares and Series A Preferred Shares have conversion rights. Each series of preferred shares is convertible, at holder's option, without payment of additional consideration, into number of fully paid ordinary shares of RNAimmune as determined by dividing original issue price by the conversion price for each series (as disclosed in below) in effect at the time of conversion.

In order for a holder of preferred shares to convert preferred shares into ordinary shares, such holder provides written notice to RNAimmune that such holder elects to convert all or any portion of preferred shares. In general, preferred shares which have been surrendered for conversion are no longer deemed to be outstanding, and all rights with respect to such preferred shares cease and terminate at the conversion time. Any preferred shares so converted are retired and cancelled and may not be reissued.

(e) *Conversion Price/Anti-Dilution Protection*

The conversion price for each Series Seed Preferred Shares and Series A Preferred Shares is adjusted on a weighted-average basis if RNAimmune issues additional shares of ordinary shares or ordinary shares equivalents (other than for stock option grants and other customary exclusions) at a purchase price less than the applicable conversion price, subject to appropriate adjustments in the certificate of incorporation. The initial "Series Seed conversion price" and "Series A conversion price" is US\$1.26 per share and US\$3.09 per share, which also represents the original issue price of Series Seed Preferred Shares and Series A Preferred Shares, respectively.

If RNAimmune, after the original issue date for a series of preferred shares issues additional shares of ordinary shares or ordinary shares equivalents, without consideration or for a consideration per share less than the conversion price for such series in effect immediately prior to such issue, then the conversion price for such series is reduced, concurrently with such issue, to a price determined in accordance with the formula set forth in the restated certificate of incorporation.

No adjustment in the conversion price for a series of preferred shares is made if RNAimmune receives written notice from holders of a majority of such series of preferred shares then outstanding agreeing that no such adjustment should be made as the result of the issuance or deemed issuance of additional shares of ordinary shares or ordinary shares equivalents.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

(ii) Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune (Continued)

(f) *Mandatory Conversion*

Upon (i) the closing of the sale of ordinary shares of RNAimmune to the public in a firm-commitment underwritten public offering resulting in at least US\$50,000,000 of aggregate proceeds, net of the underwriting discount and commissions, the ordinary shares of RNAimmune is listed for trading on Nasdaq Stock Market's National Market, Hong Kong Stock Exchange, or another stock exchange approved by the board of directors of RNAimmune or (ii) the date and time, or the occurrence specified by vote or written consent of requisite holders, then all outstanding shares of Series Seed Preferred Shares and Series A Preferred Shares of RNAimmune shall be converted automatically into ordinary shares of RNAimmune, at the effective conversion price and such shares may not be reissued by RNAimmune.

With respect to each series of preferred shares of RNAimmune, all holders of such series of preferred shares are sent written notice of the mandatory conversion time and the place designated for mandatory conversion of all such series. In general, all rights with respect to a series of preferred shares of RNAimmune converted, including the rights, if any, to receive notices and vote (other than as a holder of ordinary shares of RNAimmune), terminate at the mandatory conversion time for such series. Such converted shares of such series of preferred shares shall be retired and cancelled and may not be reissued as shares of such series.

Presentation and Classification

The directors of the Company considered that the Series Seed Preferred Shares and Series A Preferred Shares issued by RNAimmune are accounted for as financial liabilities measured at FVTPL.

The directors of the Company also considered that the changes in the fair value of the Series Seed Preferred Shares and Series A Preferred Shares attributable to the change in credit risk of these financial liabilities are minimal. Changes in fair value of the Series Seed Preferred Shares and Series A Preferred Shares not attributable to the change in credit risk of the financial liabilities are charged to profit or loss and presented as "changes in fair value of financial liabilities at FVTPL".

The Series Seed Preferred Shares and Series A Preferred Shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer, AVISTA Valuation Advisory Limited ("**AVISTA Valuation**"), which has appropriate qualifications and experiences in valuation of similar instruments. The address of AVISTA Valuation is Suites 2401-06, 24/F, Everbright Centre, No. 108 Gloucester Road, Wan Chai, Hong Kong.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

19. FINANCIAL LIABILITIES AT FVTPL (Continued)

Presentation and Classification (Continued)

The directors of the Company used the back-solve method to determine the underlying share value of RNAimmune and performed an equity allocation based on Black-Scholes Option Pricing Model ("OPM") to arrive the fair value of the Series Seed Preferred Shares and Series A Preferred Shares at June 30, 2025 and December 31, 2024.

In addition to the underlying share value of RNAimmune determined by back-solve method, other key valuation assumptions used in OPM to determine the fair value of Series Seed Preferred Shares and Series A Preferred Shares are as follows:

Series Seed Preferred Shares and Series A Preferred Shares

	At June 30, 2025	At December 31, 2024
Time to liquidation	4.46 years	4.48 years
Risk-free interest	3.77%	4.35%
Expected volatility value	67.70%	69.40%
Dividend yield	0%	0%
Possibilities under liquidation	80%	80%
Possibilities under IPO	20%	20%

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Government Bond with a maturity life equal to period from the respective valuation dates to the expected liquidation dates. Expected volatility value was estimated on each valuation date based on average of historical volatilities of the comparable companies in the same industry for a period from the respective valuation dates to expected liquidation dates. Dividend yield, possibilities under different scenarios and time to liquidation are estimated based on management estimation at the valuation dates.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

20. SHARE CAPITAL

The details of the movement of the Company's authorized and issued ordinary shares during the reporting period are set out as below:

	Number of shares	Share capital US\$
--	---------------------	-----------------------

Ordinary shares of US\$0.001 each

Authorized

At January 1, 2024 (audited), June 30, 2024 (unaudited),

January 1, 2025 (audited) and June 30, 2025 (unaudited)

230,000,000

230,000

	Number of shares	Share capital US\$
--	---------------------	-----------------------

Issued and fully paid

At January 1, 2024 (audited) and June 30, 2024 (unaudited)

87,638,480

87,638

At January 1, 2025 (audited) and June 30, 2025 (unaudited)

105,166,176

105,166

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS

(a) Share option scheme

Equity-settled share option scheme of US Sirnaomics

2016 Stock incentive Plan

Effective on June 10, 2016, US Sirnaomics adopted the “2016 Stock Incentive Plan” pursuant to which US Sirnaomics is authorized to grant stock options stock appreciation rights, and restricted stock to directors, officers, employees consultants and other nonemployee individuals of US Sirnaomics. Under the 2016 Stock Incentive Plan, a total of 12.7 million shares of ordinary shares was reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of US Sirnaomics’ ordinary shares at the date of grant and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of US Sirnaomics, and are subject generally to a continued service relationship.

Effective on January 21, 2021, the Group terminated the 2016 Stock incentive Plan, meaning that, while no additional awards of stock options, stock appreciation rights, or restricted stock were permitted thereunder, all outstanding awards continued to be governed by their existing terms.

Substitution of ordinary shares of US Sirnaomics to the Company’s ordinary shares under 2016 Stock Incentive Plan

As part of the group reorganization in connection with the listing of the Company’s share on the Hong Kong Stock Exchange, US Sirnaomics would i) substitute 1 share of ordinary share of US Sirnaomics under 2016 Stock incentive Plan to 1 share of ordinary share of the Company and ii) assume on the same terms and conditions as the 2016 Stock incentive Plan for issuance of stock options, stock appreciation rights, and restricted stock under the 2021 Stock Incentive Plan as defined and detailed below. The directors of the Company considered that the modification of terms of 2016 Stock Incentive Plan have no material change in fair value of the share options at the date of modification.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of US Sirnaomics (Continued)

Substitution of ordinary shares of US Sirnaomics to the Company's ordinary shares under 2016 Stock Incentive Plan (Continued)

The following table discloses movements of the share options during the six months ended June 30, 2025 under 2016 Stock Incentive Plan:

				Number of share options ('000)							
Options	Vesting year	Expiry year	Exercise price US\$	At	Exercised	Lapsed/ Forfeited	At	At	Exercised	Lapsed/ Forfeited	At
				January 1, 2024	during the period	during the period	June 30, 2024	January 1, 2025	during the period	during the period	June 30, 2025
Tranche 2016-1	2020	2025	1.36	547	–	–	547	547	–	–	547
Tranche 2016-2	2018	2025	1.36	535	–	–	535	535	–	–	535
Tranche 2017-2	2021	2025	1.36	421	–	–	421	421	–	–	421
Tranche 2017-3	2019	2025	1.36	698	–	–	698	698	–	–	698
Tranche 2017-4	2020	2025	1.36	100	–	–	100	100	–	–	100
Tranche 2018-2	2022 (Note (ii))	2027	1.45	1,480	–	–	1,480	1,480	–	–	1,480
Tranche 2018-3	2022 (Note (ii))	2027	1.60	216	–	–	216	216	–	–	216
Tranche 2019-2	2023 (Note (ii))	2028	1.75	179	–	–	179	179	–	–	179
Tranche 2020-1	2020	2029	1.75	472	(1)	–	471	471	–	–	471
Tranche 2020-1	2024 (Note (iii))	2029	2.35	675	–	–	675	675	–	–	675
Tranche 2020-2	Milestones (Note (ii))	2029	1.75	1,450	–	–	1,450	1,450	–	–	1,450
Tranche 2020-3	2024 (Note (ii))	2029	1.75	100	–	–	100	100	–	–	100
Tranche 2020-4	2021	2029	2.35	75	–	–	75	75	–	–	75
Tranche 2020-5	2024 (Note (ii))	2029	2.35	510	–	–	510	510	–	–	510
				<u>7,458</u>	<u>(1)</u>	<u>–</u>	<u>7,457</u>	<u>7,457</u>	<u>–</u>	<u>–</u>	<u>7,457</u>
Exercisable at the end of the reporting period							<u>7,457</u>	<u>7,457</u>			<u>7,457</u>
Weighted average exercise price				<u>1.67</u>	<u>1.75</u>	<u>N/A</u>	<u>1.67</u>	<u>1.67</u>	<u>N/A</u>	<u>N/A</u>	<u>1.67</u>

Notes:

- (i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, the completion of the Company's IPO, Series D financing by the fourth quarter in 2020 or achievement of drug project related milestones.
- (ii) The unvested portion of share options having an original vesting year of 2022 or later are vested immediately upon fulfilment of milestone of completion of the Company's IPO on December 30, 2021.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company

2021 Stock Incentive Plan

Effective on January 21, 2021, the Company adopted the “2021 Stock Incentive Plan” pursuant to which the Company is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisers and individuals who provide services to the Company and its affiliates. Under the 2021 Stock Incentive Plan, a total of 13.3 million ordinary shares of the Company were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of the Company’s ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of the Company, and are subject generally to a continued service relationship.

The following table discloses movements of the Company’s share options during the six months ended June 30, 2025 under 2021 Stock Incentive Plan:

Options	Vesting year	Expiry year	Exercise price US\$	Number of share options ('000)							
				At	Exercised	Lapsed/ Forfeited	At	At	Exercised	Lapsed/ Forfeited	At
				January 1, 2024	during the period	during the period	June 30, 2024	January 1, 2025	during the period	during the period	June 30, 2025
Tranche 2021-2	Milestone (Note (i))	2030	2.35	8	–	–	8	8	–	–	8
Tranche 2021-3	Milestone (Note (i))	2030	2.35	8	–	–	8	8	–	–	8
Tranche 2021-4	2025 (Note (ii))	2030	2.35	155	–	–	155	155	–	–	155
Tranche 2021-5	2025 (Note (ii))	2030	3.5	2,933	–	–	2,933	2,933	–	–	2,933
Tranche 2021-6	2025 (Note (ii))	2030	3.55	262	–	–	262	262	–	–	262
				<u>3,366</u>	<u>–</u>	<u>–</u>	<u>3,366</u>	<u>3,366</u>	<u>–</u>	<u>–</u>	<u>3,366</u>
Exercisable at the end of the reporting period							<u>3,366</u>	<u>3,366</u>			<u>3,366</u>
Weighted average exercise price				<u>3.45</u>	<u>N/A</u>	<u>N/A</u>	<u>3.45</u>	<u>3.45</u>	<u>N/A</u>	<u>N/A</u>	<u>3.45</u>

Notes:

- (i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, the execution of a collaboration, development, joint venture, or partnership agreement or completion of achievement of drug project related milestones.
- (ii) The unvested portion of share options having an original vesting year of 2022 or later are vested immediately upon fulfilment of milestone of completion of the Company’s IPO on December 30, 2021.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company (Continued)

2022 Post-IPO Scheme

The Company adopted the restricted share unit scheme (the “**RSU Scheme**”) on April 22, 2022 and adopted the Post-IPO share option scheme (the “**2022 Post-IPO Scheme**”) on June 28, 2022 (collectively referred to as “**2022 Post-IPO Incentive Plans**”). The purposes of the 2022 Post-IPO Incentive Plans are to (i) recognize the contributions by the eligible participants (“**Participants**”) with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain individuals for the continual operation and development of the Group; (iii) provide additional incentives to achieve performance goals; (iv) attract suitable personnel for further development of the Group and (v) motivate the Participants to maximize the value of the Group for the benefits of both the Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Participants directly to the shareholders through ownership of the shares of the Company.

Under the 2022 Post-IPO Incentive Plans, the directors of the Company may grant options to subscribe for shares in the Company or award ordinary shares of the Company to eligible employees, executive, officer, director, consultant, advisor or agent of any member of the Group or holding companies and fellow subsidiaries of the Company.

Pursuant to the 2022 Post-IPO Scheme, the directors of the Company may invite Participants to take up the options at a price determined by the board of directors or the Chief Executives (the chairman of the board of directors of the Company and the chief executive officer of the Company) provided that it shall be not less than the highest of (a) the closing price of a share as stated in the Hong Kong Stock Exchange’s daily quotation sheet on the date on which an offer is made by the Company to the grantee (which date must be a business day, “**Grant Date**”); (b) a price being the average closing price of a share of the Company as stated in the Hong Kong Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Grant Date; and (c) the nominal value per share of the Company on the Grant Date.

At June 30, 2025, the number of shares in respect of which options had been granted and remained outstanding under the 2022 Post-IPO Scheme was 789,000, representing 0.8% of the shares of the Company in issue at that date. The total number of shares which may be issued upon exercise of all options that may be granted under the 2022 Post-IPO Scheme and any other schemes of the Company shall not in aggregate exceed 10% of the issued shares as of June 28, 2022 (i.e. the Share Option Scheme Adoption Date) unless the Company obtains the approval from the shareholders to refresh the limit.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company (Continued)

2022 Post-IPO Scheme (Continued)

The maximum entitlement for any one Participant is that the total number of shares issued and to be issued to each Participant (excluding any options lapsed) in any 12-month period shall not exceed 1% of the issued shares unless otherwise separately approved by the shareholders of the Company in a general meeting. Options granted to substantial shareholders or independent non-executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance by the Company's shareholders.

A letter comprising acceptance of the share option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within the period specified in the letter containing the offer of the grant of the share option.

The option may be exercised in accordance with the terms of the 2022 Post-IPO Scheme of up to 10 years with vesting periods which were determined and notified by the board of directors to the grantee at the time of making an offer.

The 2022 Post-IPO Scheme is valid and effective for a period of 10 years commencing on June 28, 2022.

On November 24, 2022, the Company granted 1,293,000 share options to certain selected directors and employees of the Company and the Group and conditionally granted 219,000 share options to Chief Executive, which entitle them to subscribe for a total of 1,512,000 shares at an exercise price of HK\$58.9 per share (equivalent to approximately US\$7.55 per share). The closing price of the shares of the Company immediately before the date on which the options were granted was HK\$57.8 per share. The 219,000 share options conditionally granted to the Chief Executive have been approved in the shareholder's meeting held on February 3, 2023.

During the year ended December 31, 2023, 409,400 share options were granted with an exercise price of HK\$47 per share (equivalent to approximately US\$6.03 per share).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of the Company (Continued)

2022 Post-IPO Scheme (Continued)

The following table discloses movements of the Company's share options during the six months ended June 30, 2025 under 2022 Post-IPO Scheme:

Options	Date of grant	Vesting year	Expiry year	Exercise price US\$	Number of share options ('000)							At June 30, 2025
					At January 1, 2024	Granted during the period	Lapsed/ Forfeited during the period	At June 30, 2024	At January 1, 2025	Granted during the period	Lapsed/ Forfeited during the period	
Tranche 2022-1	November 4, 2022	2024 (Note (i))	2032	7.55	319	-	(2)	317	258	-	-	258
Tranche 2022-2	November 4, 2022	2026 (Note (ii))	2032	7.55	717	-	(98)	619	403	-	(32)	371
Tranche 2022-1	February 3, 2023	2024 (Note (i))	2032	7.55	101	-	-	101	101	-	-	101
Tranche 2022-2	February 3, 2023	2026 (Note (ii))	2032	7.55	118	-	-	118	118	-	(59)	59
Tranche 2023-1	November 30, 2023	2027 (Note (ii))	2033	6.03	409	-	(409)	-	-	-	-	-
					<u>1,664</u>	<u>-</u>	<u>(509)</u>	<u>1,155</u>	<u>880</u>	<u>-</u>	<u>(91)</u>	<u>789</u>
Exercisable at the end of the reporting period								<u>419</u>	<u>684</u>			<u>684</u>
Weighted average exercise price					<u>7.18</u>	<u>N/A</u>	<u>6.33</u>	<u>7.55</u>	<u>7.55</u>	<u>N/A</u>	<u>7.55</u>	<u>7.55</u>

Notes:

- (i) 50% of the share options granted are vested on each of the first and second anniversary of the grant date respectively.
- (ii) 25% of the share options granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of RNAimmune

2020 Stock Incentive Plan

Effective on March 8, 2020, RNAimmune adopted the “2020 Stock Incentive Plan” pursuant to which RNAimmune is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisers and individuals who provide services to RNAimmune and its affiliates. Under the 2020 Stock Incentive Plan, a total of seven million ordinary shares of RNAimmune were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of RNAimmune’s ordinary shares at the date of grant, and have exercise terms of up to 10 years with vesting periods determined at the discretion of the board of directors of RNAimmune, and are subject generally to a continued service relationship.

During the year ended December 31, 2023, 3,550,000 options were granted with an exercise price of US\$1.39 per share.

The following table discloses movements of RNAimmune’s share options during the six months ended June 30, 2025 under 2020 Stock Incentive Plan:

Options	Vesting year	Expiry year	Exercise price US\$	Number of share options ('000)							
				At January 1, 2024	Granted during the period	Lapsed/ Forfeited during the period	At June 30, 2024	At January 1, 2025	Granted during the period	Lapsed/ Forfeited during the period	At June 30, 2025
Tranche 2020-1	Milestones (Note (i))	2029	0.11	2,100	–	–	2,100	2,100	–	–	2,100
Tranche 2020-2	Milestones (Note (i))	2029	0.1	962	–	–	962	962	–	(332)	630
Tranche 2021-1	Milestones (Note (i))	2030	0.51 (Note (ii))	200	–	–	200	200	–	–	200
Tranche 2022-2	Milestones (Note (i))	2031	0.51	25	–	–	25	25	–	–	25
Tranche 2023-1	Milestones (Note (i))	2032	1.39	1,304	–	–	1,304	1,304	–	–	1,304
Tranche 2021-2	2024	2030	0.51 (Note (ii))	25	–	–	25	25	–	–	25
Tranche 2021-3	2025	2030	0.51 (Note (ii))	75	–	–	75	75	–	(2)	73
Tranche 2022-2	2026	2031	0.51	50	–	–	50	50	–	(8)	42
Tranche 2023-1	2027	2032	1.39	2,246	–	(132)	2,114	1,627	–	(496)	1,131
				<u>6,987</u>	<u>–</u>	<u>(132)</u>	<u>6,855</u>	<u>6,368</u>	<u>–</u>	<u>(838)</u>	<u>5,530</u>
Exercisable at the end of the reporting period							<u>3,585</u>	<u>4,598</u>			<u>4,409</u>
Weighted average exercise price				<u>0.78</u>	<u>N/A</u>	<u>1.39</u>	<u>0.77</u>	<u>0.72</u>	<u>N/A</u>	<u>0.87</u>	<u>0.70</u>

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of RNAimmune (Continued)

2020 Stock Incentive Plan (Continued)

Notes:

- (i) Milestone-based share options are vested conditionally upon the achievement of a specified performance target including but not limited to, closing a seed round financing, obtaining an approval of non-dilutive government or foundation funding execution of a collaboration, development, joint venture, or partnership agreement or completion of achievement of drug project related milestones.
- (ii) During the year ended December 31, 2022, RNAimmune has repriced the exercise price of these share options from US\$1.26 per share to US\$0.51 per share. The incremental fair value of approximately US\$23,000 will be expensed over the remaining vesting period.

Equity-settled share option scheme of EDIRNA

2023 Stock Incentive Plan

Effective on January 15, 2023, EDIRNA adopted the “2023 Stock Incentive Plan” pursuant to which EDIRNA is authorized to grant stock options, stock appreciation rights and restricted stock to directors, officers, employees, consultants, advisors and individuals who provide services to EDIRNA and its affiliates. Under the 2023 Stock Incentive Plan, a total of 170,000 ordinary shares of EDIRNA were reserved for issuance. Options may be granted as incentive stock options or non-qualified stock options. Stock options are to be granted with an exercise price not less than the fair market value of EDIRNA’s ordinary shares at the date of grant and have exercise terms of up to 10 years with the vesting periods determined at the discretion of the board of directors of EDIRNA, and are subject generally to a continued service relationship.

During the year ended December 31, 2023, 100,000 options were granted with an exercise of US\$1.49 per share were granted.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of EDIRNA (Continued)

2023 Stock Incentive Plan (Continued)

The following table discloses movements of EDIRNA's share options during the six months ended June 30, 2025 under the 2023 Stock Incentive Plan:

		Number of share options ('000)									
Options	Vesting year	Expiry year	Exercise price US\$	At	Granted	Lapsed/ Forfeited	At	At	Granted	Lapsed/ Forfeited	At
				January 1, 2024	during the period	during the period	June 30, 2024	January 1, 2025	during the period	during the period	June 30, 2025
Tranche 2023-1	2027 (Note (i))	2032	1.49 (Note (ii))	85	–	–	85	85	–	(85)	–
Tranche 2023-2	2027 (Note (i))	2032	1.49	15	–	–	15	15	–	(9)	6
				<u>100</u>	<u>–</u>	<u>–</u>	<u>100</u>	<u>100</u>	<u>–</u>	<u>(94)</u>	<u>6</u>
Exercisable at the end of the reporting period							25	40			6
Weighted average exercise price				1.49	N/A	N/A	1.49	1.49	N/A	1.49	1.49

Notes:

- (i) 12/48 of the share options granted vest on the last business day of the month which includes the first anniversary of the grant date and thereafter 1/48 of the share options vest on the last business day of each month until the share options are vested in full.
- (ii) During the year ended December 31, 2023, EDIRNA has repriced the exercise price of these share options from US\$4.50 per share to US\$1.49 per share. The incremental fair value of approximately US\$20,000 will be expensed over the remaining vesting period.

The fair value of services received in return for share options under the 2020 Stock Incentive Plan of RNAimmune, the 2022 Post IPO Scheme of the Company and the 2023 Stock Incentive Plan of EDIRNA is measured by reference to the fair value of share options granted. Back-solve method was used to determine the equity fair value of RNAimmune and EDIRNA at grant date for options granted under 2020 Stock Incentive Plan and 2023 Stock Incentive Plan. The estimated fair value of the share options granted is measured based on the binomial option pricing model. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate with reference to valuation reports carried out by AVISTA Valuation. The value of an option varies with different variables of certain subjective assumptions.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(a) Share option scheme (Continued)

Equity-settled share option scheme of EDIRNA (Continued)

2023 Stock Incentive Plan (Continued)

The key inputs of the model as at the grant date and modification date were as follows:

	2020 Stock Incentive Plan of RNAimmune	2022 Post-IPO Scheme of the Company	2023 Stock Incentive Plan of EDIRNA
Share price	US\$0.03–US\$ 1.38	US\$5.90–US\$7.50	US\$1.49–US\$2.21
Exercise price	US\$0.1–US\$ 1.39	US\$5.90–US\$7.55	US\$1.49
Expected volatility	68%–75%	74%–77%	54%–76%
Risk-free rate	0.48%–4.94%	3.11%–3.72%	3.55%–4.36%
Expected dividend yield	0%	0%	0%
Time-to-maturity	4.8–8.8 years	10 years	9.3–9.7 years

The directors of the Company estimated the risk-free interest rate based on the yield of the United States Government Bond and Hong Kong Monetary Authority with a maturity life equal to the option life of the share options granted under the 2020 Stock Incentive Plan of RNAimmune, the 2022 Post-IPO Scheme of the Company and the 2023 Stock Incentive Plan of EDIRNA, respectively. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share options. Dividend yield is based on management estimation at the grant date. The time-to-maturity used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

For the six months ended June 30, 2025, the Group recognized a total expense of US\$274,000 (six months ended June 30, 2024: US\$1,058,000) in relation to share options granted by the Company, RNAimmune and EDIRNA.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) RSU Scheme of the Company

The RSU Scheme is valid and effective for a period of 10 years commencing from April 22, 2022. Pursuant to the rules of the RSU Scheme, the Group is holding the awarded shares before they are vested.

The number of RSUs awarded under the RSU Scheme shall not exceed 10% of the issued shares as at April 22, 2022 (i.e. the RSU Scheme Adoption Date). The granting of restricted share unit awards is also subject to an annual limit of 3% of the total issued shares as at the RSU Scheme Adoption Date, unless otherwise approved by the shareholders of the Company. The maximum number of shares which may be awarded to any one Participant under the RSU Scheme may not exceed 1% of the issued shares as at the RSU Scheme Adoption Date.

On November 24, 2022, the Company awarded 564,200 RSUs to certain selected employees of the Company and conditionally awarded 339,000 RSUs to certain directors of the Company and an officer of a subsidiary of the Company (the “**Connected Persons**”) under the RSU Scheme. The closing price of the shares of the Company immediately before the grant of awarded shares was HK\$57.8 per share. The 339,000 RSUs conditionally granted to the Connected Persons have been approved in the shareholder’s meeting held on February 3, 2023.

The estimated fair values of the awarded shares underlying the RSUs at the grant date were HK\$58.9 per share based on the market trading price of the share. The Group recognized a total expense of US\$41,000 for the six months ended June 30, 2025 (six months ended June 30, 2024: US\$541,000) in relation to RSUs granted by the Company.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

21. SHARE-BASED PAYMENT TRANSACTIONS (Continued)

(b) RSU Scheme of the Company (Continued)

The following table discloses movements of the Company's RSUs during the six months ended June 30, 2025:

RSUs	Date of grant/approval	Vesting year	Number of RSUs ('000)							
			At	Awarded	Lapsed/	At	At	Awarded	Lapsed/	At
			January 1, 2024	during the period	Forfeited during the period	June 30, 2024	January 1, 2025	during the period	Forfeited during the period	June 30, 2025
Tranche 2022-1	November 24, 2022	2024 (Note (i))	63	–	(2)	61	–	–	–	–
Tranche 2022-2	November 24, 2022	2026 (Note (ii))	178	–	(53)	125	40	–	(5)	35
Tranche 2022-1	February 3, 2023	2024 (Note (i))	147	–	–	147	–	–	–	–
Tranche 2022-2	February 3, 2023	2026 (Note (ii))	34	–	–	34	16	–	(12)	4
			<u>422</u>	<u>–</u>	<u>(55)</u>	<u>367</u>	<u>56</u>	<u>–</u>	<u>(17)</u>	<u>39</u>

Notes:

- (i) 50% of the RSUs granted are vested on each of the first and second anniversary of the grant date respectively.
- (ii) 25% of the RSUs granted are vested on each of the first, second, third and fourth anniversary of the grant date respectively.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value measurements and valuation processes

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages third party qualified valuers to perform the valuation. The Group works closely with the qualified valuer to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value measurements and valuation processes (Continued)

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial asset and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial asset and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial asset and financial liabilities are determined (in particular, the valuation technique(s) and inputs used). There were no transfers out of Level 3 during the six months ended June 30, 2025.

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs	Relationship of significant unobservable inputs to fair value
	June 30, 2025 US\$'000 (unaudited)	December 31, 2024 US\$'000 (audited)				
Financial liabilities						
Financial liabilities at FVTPL — Preferred shares	22,024	23,748	Level 3	Back-solve method and the OPM Time to liquidation, risk-free interest, expected volatility value, dividend yield and possibilities under liquidation scenario and IPO Scenario	Expected volatility value	Depends on the relative distance between equity value and the liquidation preference of the preferred shares (Note)

Note:

A 5% increases (decreases) in the expected volatility value, while all other variables keep constant, would increase (decrease) the carrying amount of Series Seed Preferred Shares and Series A Preferred Shares issued by the Group as at June 30, 2025 by US\$142,000 and US\$(188,000), respectively (December 31, 2024: US\$286,000 and US\$(42,000)) and US\$(70,000) and US\$254,000, respectively (December 31, 2024: US\$(247,000) and US\$86,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)

Fair value of the Group's financial asset and financial liabilities that are measured at fair value on a recurring basis (Continued)

Reconciliation of Level 3 fair value measurements of financial asset and financial liabilities

	Financial asset at FVTPL US\$'000	Preferred shares issued by RNAimmune US\$'000
At January 1, 2024 (audited)	20,043	30,651
Unrealized changes in fair value	(18,108)	1,389
At June 30, 2024 (unaudited)	1,935	32,040
At January 1, 2025 (audited)	–	23,748
Unrealized changes in fair value	–	(1,724)
At June 30, 2025 (unaudited)	–	22,024

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures required)

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

23. RELATED PARTY TRANSACTIONS

Save for disclosed elsewhere in the condensed consolidated financial statements, the Group also entered into the following significant transactions with its related parties during the the six months ended June 30, 2025.

Compensation of key management personnel

The remuneration of the directors of the Company and key management personnel of the Group during the six months ended June 30, 2025 were as follows:

	For the six months ended June 30,	
	2025 US\$'000 (Unaudited)	2024 US\$'000 (Unaudited)
Salaries and other allowances	385	913
Retirement benefit scheme contributions	—	30
Share-based payment expense	11	696
	<u>396</u>	<u>1,639</u>

24. MAJOR NON-CASH TRANSACTIONS

Save for disclosed elsewhere in the condensed consolidated financial statements, the Group has the following major non-cash transactions during the period:

Lease arrangement

During the six months ended June 30, 2025, the Group entered into a new lease agreement for the use of leased property for three years (six months ended June 30, 2024: two years). On the lease commencement during the six months ended June 30, 2025, the Group recognized US\$53,000 (six months ended June 30, 2024: US\$68,000) of right-of-use asset and US\$52,000 (six months ended June 30, 2024: US\$68,000) of lease liability.

Notes to the Condensed Consolidated Financial Statements

For the six months ended June 30, 2025

25. PENDING LITIGATION

On January 9, 2025, Mike Ghias and Asghar Ghias ("**Petitioners**"), being two registered shareholders of the Company, claimed against the Company and the former director Dr. Yang Lu for, amongst other matters, (i) the Company's imposition of a restrictive legend on their respective share certificate; (ii) the Company's refusal to transfer their shares from the Company's principal register of members in the Cayman Islands to the branch register of members in Hong Kong; and (iii) the procurement of the said acts by Dr. Yang Lu (collectively, "**the Claim**"). The Petitioners alleged that, due to their inability to sell their shares through the Hong Kong Stock Exchange under the restrictions, they have suffered loss and damage. However, the Petitioners did not set out the exact amount of damages sought under their petition.

The court proceedings are still in early stage and the counsel of the Petitioners informed the court that the Petitioners intended to amend their petition. After the amended petition was filed by the Petitioners on April 11, 2025, the parties did not file their substantive affirmation evidence in support of or in opposition to the petition. Instead, the Company and Dr. Yang Lu proceeded with their respective applications to stay the court proceedings for arbitration. The applications were heard by the court on August 20, 2025 with judgment reserved.

The Group's management believes that it would be premature to evaluate the probability of success of the Company in the court proceedings or to estimate the quantum of liability incurred by the Company at this stage, thus no provision of the Claim was considered necessary for the period ended June 30, 2025.

Definitions

In this interim report, unless the context otherwise requires, the following expressions shall have the following meanings.

"Administrative Committee"	the committee comprising any one executive Director and any other two officers of the Company as designated by the Board from time to time
"Audit Committee"	the audit committee of the Board
"Authorized Representative"	an authorized representative of the Company under Rule 3.05 of the Listing Rules
"Board" or "Board of Directors"	the board of directors of the Company
"Business Day(s)"	a day on which banks in Hong Kong are generally open for business and the Hong Kong Stock Exchange is open for business of dealing securities
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Chief Executive(s)"	(i) the Chairman of the Board, and (ii) the Chief Executive Officer of the Company, or, for the purpose of the Share Option Scheme and the RSU Scheme only, any person as designated by him/her from time to time. For the avoidance of doubt, any decision prescribed to be made by the Chief Executives under the Share Option Scheme or the RSU Scheme (as the case may be) shall be made jointly by both persons of (i) and (ii) above
"China", "mainland China" or the "PRC"	the People's Republic of China, but for the purpose of this interim report and for geographical reference only, except where the context requires, references in this interim report to "China", "mainland China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company", "our Company" or "the Company"	Sirnaomics Ltd., an exempted company incorporated in the Cayman Islands with limited liability on October 15, 2020
"Core Product"	STP705, the designated "core product" as defined under Chapter 18A of Listing Rules
"Director(s)"	the director(s) of the Company

Definitions

“EDIRNA”	EDIRNA Inc., a company incorporated under the laws of Delaware, U.S. on February 18, 2022, a non-wholly owned subsidiary of the Company
“FDA”	U.S. Food and Drug Administration
“Fund”	TradArt Flagship Investment SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on August 6, 2021
“FVTPL”	Fair value through profit or loss
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “the Group”, “we”, “us” or “our”	the Company, its subsidiaries or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“Guangzhou Sirnaomics”	Sirnaomics Biopharmaceuticals (Guangzhou) Co., Ltd. (聖諾生物醫藥技術(廣州)有限公司), a company established under the laws of the PRC on May 8, 2012 with limited liability, an indirect wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Sirnaomics”	Sirnaomics (Hong Kong) Limited (聖諾(香港)有限公司), a company incorporated under the laws of Hong Kong on March 8, 2019 with limited liability, an indirect wholly owned subsidiary of the Company
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IASB”	International Accounting Standards Board
“IAS(s)”	International Accounting Standard(s)
“IFRS(s)”	International Financial Reporting Standard(s)

Definitions

“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company
“Investment Manager”	TradArt Asset Management Co., Limited, a company incorporated under the laws of Hong Kong on July 14, 2021 with limited liability, licensed for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“IP”	intellectual property
“IPO”	Initial public offerings
“Junior Grantee(s)”	any grantee(s) other than a Senior Grantee
“Listing”	the listing of the Shares on the Main Board by way of the Global Offering
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“Pre-IPO Equity Incentive Plan”	the pre-IPO equity incentive plan adopted by the Company on January 21, 2021
“R&D”	research and development
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board

Definitions

“Reporting Period”	for the six months ended June 30, 2025
“RNAimmune”	RNAimmune, Inc., a company incorporated under the laws of Delaware, U.S. on May 5, 2016, a controlled subsidiary of the Company
“RSU Scheme”	the restricted share unit scheme adopted by the Company on April 22, 2022
“RSU Scheme Adoption Date”	April 22, 2022, being the date on which the RSU Scheme first was adopted by the Board
“RSU Scheme Limit”	has the meaning described in the sub-paragraph headed “(I) RSU Scheme Limit” under the paragraph headed “Corporate Governance and Other Information — Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme — RSU Scheme — (5) Maximum Number of Shares Available for Awards” in this interim report
“RSU(s)”	the restricted share unit(s) granted and/or conditionally granted (as the case may be) under the RSU Scheme
“SAFE”	Simple Agreements for Future Equity
“Segregated Portfolio”	SP1 of TradArt Flagship Investment SPC, a segregated portfolio of the Fund
“Segregated Portfolio Shares”	non-voting, participating, non-redeemable shares of par value US\$0.001 each in the capital of the Fund issued through the account of the Segregated Portfolio
“Senior Grantee(s)”	the grantee(s) under the Share Option Scheme or the RSU Scheme (as the case may be) who is either (i) a Director, or (ii) a member of the senior management of the Company as included in the latest annual report of the Company published on the website of the Hong Kong Stock Exchange immediately before the grant date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.001 each

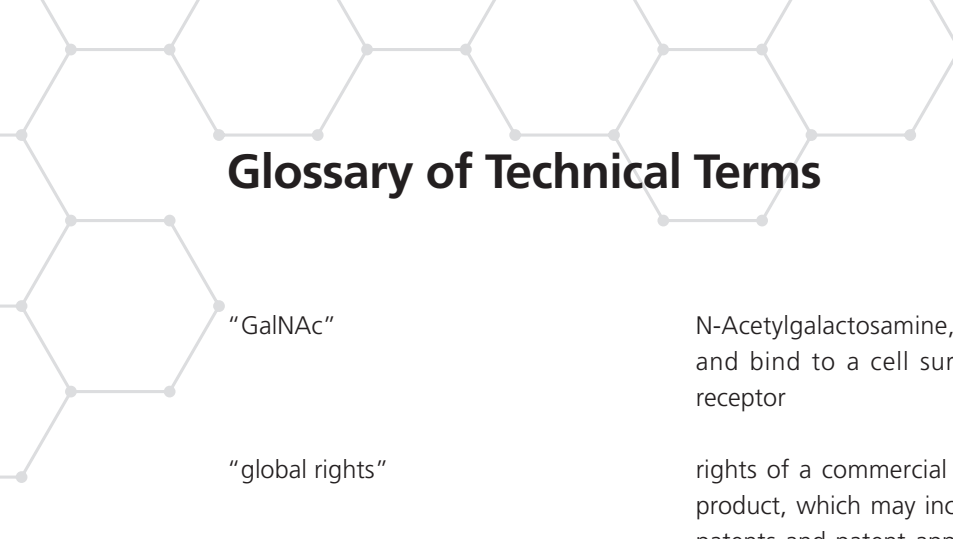
Definitions

“Shareholder(s)”	holder(s) of our Shares
“Share Option Scheme Adoption Date”	June 28, 2022, being the date on which the Share Option Scheme was approved and adopted by the Shareholders
“Share Option Scheme Limit”	has the meaning described in the sub-paragraph headed “(l) Share Option Scheme Limit” under the paragraph headed “Corporate Governance and Other Information — Pre-IPO Equity Incentive Plan, RSU Scheme and Share Option Scheme — Share Option Scheme — (5) Maximum Number of Shares Available for Subscription” in this interim report
“Share Option Scheme”	the share option scheme adopted by the Company on June 28, 2022
“Suzhou Sirnaomics”	Sirnaomics Biopharmaceuticals (Suzhou) Co., Ltd. (聖諾生物醫藥技術（蘇州）有限公司), a company established under the laws of the PRC on March 10, 2008 with limited liability, an indirect wholly owned subsidiary of the Company
“United States”, “U.S.” or “US”	the United States of America
“US\$”	U.S. dollars, the lawful currency of the United States of America
“US Sirnaomics”	Sirnaomics, Inc., a company incorporated under the laws of Delaware, U.S. on February 12, 2007, a wholly owned subsidiary of the Company
“Walvax”	Walvax Biotechnology Co., Ltd. (雲南沃森生物技術股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 300142), one of our collaborators and an Independent Third Party
“%”	per cent

Glossary of Technical Terms

This glossary contains explanations of certain technical terms used in connection with the Company and its business.

"AEs"	adverse events, which may be mild, moderate, or severe, any untoward medical occurrences in a patient administered a drug or other pharmaceutical product during clinical trials and which do not necessarily have a causal relationship with the treatment
"ApoC3"	apolipoprotein C3
"ASGPR"	asialoglycoprotein receptor
"BCC"	basal cell carcinoma, a type of non-melanoma skin cancer
"CDMO"	contract development and manufacturing organization, a pharmaceutical company that develops and manufactures drugs for other pharmaceutical companies on a contractual basis
"CMC"	chemistry, manufacturing, and controls processes in the development, licensure, manufacturing, and ongoing marketing of pharmaceutical products
"cohort(s)"	a group of patients as part of a clinical trial who share a common characteristic or experience within a defined period and who are monitored over time
"COX-2"	cyclooxygenase-2, a membrane-bound, short-living, and rate-limiting enzyme
"CRO(s)"	contract research organization(s), pharmaceutical company(ies) that conducts research for other pharmaceutical companies on a contractual basis
"delivery platform(s)"	the platform(s) used for the delivery of drugs to target sites of pharmacological actions
"Factor XI"	a plasma glycoprotein that is primarily synthesized in the liver and is part of the coagulation cascade, playing a role in clot stabilization and expansion
"GalAhead"	our GalNAc RNAi delivery platform that conjugates GalNAc moieties to RNAi triggers



Glossary of Technical Terms

"GalNAc"

N-Acetylgalactosamine, a sugar molecule that can recognize and bind to a cell surface protein, the asialoglycoprotein receptor

"global rights"

rights of a commercial nature to develop or commercialize a product, which may include rights in know-how and rights in patents and patent applications, in each case, directed to the drug product, drug composition and/or methods of use thereof or in the drug delivery platform

"GMP"

Good Manufacturing Practice, a system for ensuring that products are consistently produced and controlled according to quality standards, which is designed to minimize the risks involved in any pharmaceutical production that cannot be eliminated through testing the final product. It is also the practice required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of pharmaceutical products

"IND"

investigational new drug or investigational new drug application, also known as clinical trial application

"isSCC"

squamous cell carcinoma in situ

"mRNA"

messenger RNA, a large family of RNA molecules that are complementary to DNA molecules and convey genetic information from the DNA to be translated by ribosomes into proteins

"muRNA"

multi-unit RNAi trigger, RNAi trigger composed of multiple oligonucleotides (2 or more) to simultaneously downregulate two or more gene targets

"mxRNA"

miniaturized RNAi trigger, RNAi trigger composed of single ~30 nucleotide long oligonucleotides designed to downregulate individual gene target

"NMSC"

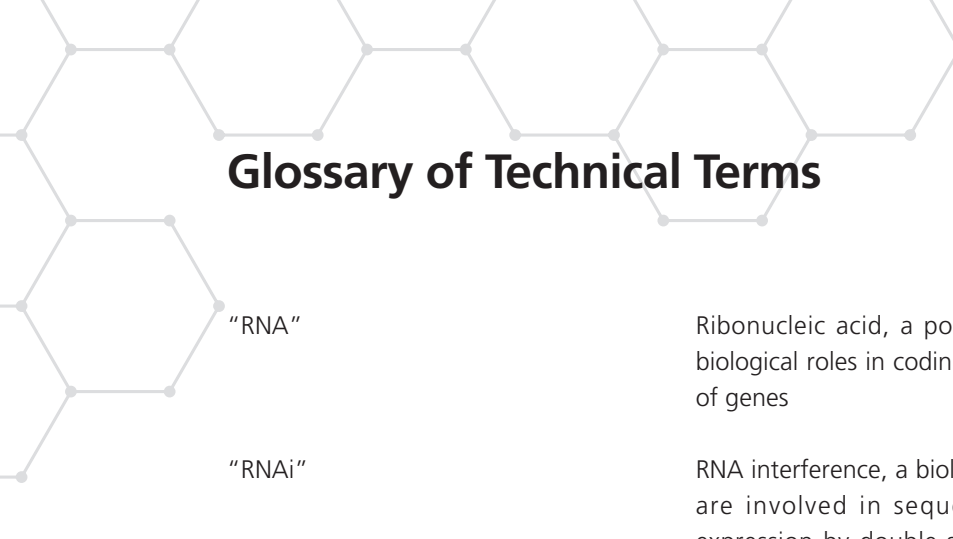
non-melanoma skin cancer

"Phase I clinical trials" or
"Phase I"

study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness

Glossary of Technical Terms

"Phase I/II clinical trials" or "Phase I/II"	Phase I/II clinical trials combine Phase I and Phase II into one trial. The clinical trial design may adaptively use data from all previous patients to make decisions and select the best dose for each new cohort
"Phase II clinical trials" or "Phase II"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase IIa clinical trials" or "Phase IIa"	Phase IIa clinical trials are usually pilot studies designed to demonstrate clinical efficacy or biological activity
"Phase IIb clinical trials" or "Phase IIb"	Phase IIb clinical trials determine the optimal dose at which the drug shows biological activity with minimal side-effects
"Phase II/III clinical trials" or "Phase II/III"	a study that tests how well a new treatment works for a certain type of cancer or other disease and compares the new treatment with a standard treatment. Phase II/III clinical trials also provide more information about the safety and side effects of the new treatment. Combining Phase II and Phase III allows research questions to be answered more quickly or with fewer patients
"Phase III clinical trials" or "Phase III"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"PNP"	polypeptide nanoparticle is composed of a branched histidine lysine polymer
"PNP-ID"	PNP platform formulated for intradermal administration
"PNP-IT"	PNP platform formulated for intratumoral administration
"PNP-IV"	PNP platform formulated for intravenous administration
"preclinical studies"	studies or programs testing a drug on non-human subjects, to gather efficacy, toxicity, pharmacokinetic and safety information and to decide whether the drug is ready for clinical trials



Glossary of Technical Terms

“RNA”

Ribonucleic acid, a polymeric molecule essential in various biological roles in coding, decoding, regulation and expression of genes

“RNAi”

RNA interference, a biological process in which RNA molecules are involved in sequence-specific suppression of gene expression by double-stranded RNA, through translation or transcriptional repression

“SAEs”

serious AEs, any medical occurrences in human drug trials that at any dose: result in death; are life-threatening; require inpatient hospitalization or cause prolongation of existing hospitalization; result in persistent or significant disability/incapacity; may have caused a congenital anomaly/birth defect, or require intervention to prevent permanent impairment or damage

“siRNA”

small interference RNA, double-stranded RNA molecules comprised of two oligonucleotides of about 20nt-long guide (antisense) and passenger (sense) strands; the RNA-Induced Silencing Complex (RISC) incorporates the guide strand and binds mRNA target molecules to generate its cleavage or inhibit protein translation from it

“solid tumors”

an abnormal mass of tissue that usually does not contain cysts or liquid areas. Solid tumors may be benign (not cancer), or malignant (cancer). Different types of solid tumors are named for the type of cells that form them

“SCC”

squamous cell carcinoma, an uncontrolled growth of abnormal cells arising from the squamous cells in the epidermis, the skins outermost layer

“TGF- β 1”

transforming growth factor beta 1 or TGF- β 1, a polypeptide member of the transforming growth factor beta superfamily of cytokines, which activates Smad and non-Smad signaling pathways