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## **Immunotech Biopharm Ltd**

**永泰生物製藥有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 6978)**

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

The Board hereby announces the audited consolidated results of the Group for the Reporting Period, together with the comparative figures for the year ended 31 December 2024.

#### **FINANCIAL HIGHLIGHTS**

**Other income** decreased by approximately RMB13.3 million or approximately 39.3% from approximately RMB33.8 million for the year ended 31 December 2024 to approximately RMB20.5 million for the year ended 31 December 2025.

**Other losses, net** increased by approximately RMB57.7 million or approximately 488.7% from approximately RMB11.8 million for the year ended 31 December 2024 to approximately RMB69.5 million for year ended 31 December 2025.

**Research and development expenses** decreased by approximately RMB21.4 million or approximately 13.9% from approximately RMB154.2 million for the year ended 31 December 2024 to approximately RMB132.8 million for the year ended 31 December 2025.

**Administrative expenses** decreased by approximately RMB3.5 million or approximately 7.9% from approximately RMB44.5 million for the year ended 31 December 2024 to approximately RMB41.0 million for the year ended 31 December 2025.

**Loss before tax** increased by approximately RMB44.5 million or approximately 23.9% from approximately RMB186.4 million for the year ended 31 December 2024 to approximately RMB230.9 million for the year ended 31 December 2025.

**Loss and total comprehensive expense for the year** increased by approximately RMB43.6 million or approximately 23.3% from approximately RMB187.3 million for the year ended 31 December 2024 to approximately RMB230.9 million for the year ended 31 December 2025.

## **BUSINESS HIGHLIGHTS**

### **Clinical trials**

#### ***Non-genetically modified cell product pipeline EAL<sup>®</sup>***

EAL<sup>®</sup> is a broad-spectrum anti-tumour cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using the patented methods. The main active component of the product is CD8+ cytotoxic T cells and its cell surface marker is the CD3 molecule.

As at the date of this announcement, the Group has completed the enrolment of 430 target subjects for the Phase II clinical trial. EAL<sup>®</sup> was accepted for conditional NDA application in March 2025. Subsequently, EAL<sup>®</sup> was included in the priority review and approval list in China. As at the date of this announcement, the conditional NDA application for the Group's core product candidate EAL<sup>®</sup> is under review by the Centre for Drug Evaluation of the NMPA.

#### ***6B11-OCIK Injection***

6B11-OCIK Injection is an injection of ovarian cancer autologous cytotoxic T Lymphocyte. 6B11 is the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9. The use of 6B11 can induce specific anti-ovarian cancer humoral and cellular immune antibodies in vitro, which can be cultured and proliferated in vitro (6B11-OCIK Injection) and infused back to the subject to achieve the purpose of specifically killing tumour cells.

As at the date of this announcement, the Group has completed the enrolment of six targeted patients for the Phase I clinical trial for 6B11-OCIK Injection and has completed the preliminary analysis and the interim results of the ongoing clinical trial. The Group will conduct the Phase II clinical trials at the appropriate time according to operational arrangements.

## ***CAR-T cell product pipeline***

### ***CAR-T-19 Injection***

The CAR-T-19 series forms the core of CAR-T cell product pipeline. CAR-T-19 Injection is indicated for the treatment of pediatric and young adult patients up to and including the age of 25 with B-ALL. The CAR-T-19 Injection product candidate has shown efficacy in a clinical study, and the IND application for the product candidate with B-cell acute lymphoblastic leukaemia (B-ALL) as the clinical indication was accepted for processing by the CDE in August 2019.

In December 2020, the Group received an approval of the IND for clinical trials of CAR-T-19 Injection from the CDE. Following the IND approval, the Company has commenced the Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing on 25 February 2021. In October 2023, the Company applied to the CDE for end-of-Phase I clinical trial meetings application and started the Phase II clinical trial work.

CAR-T-19 Injection was granted breakthrough therapy designation for treatment of patients aged 25 and under with relapsed/refractory B-ALL by the CDE. The designation was granted based on the solid clinical efficacy and safety data of CAR-T-19 Injection. It will expedite the clinical development of CAR-T-19 Injection and accelerate its early access to the patients. CDE's breakthrough therapy designation is designed to expedite the clinical development of innovative drugs presenting significant clinical advantages. Drug candidates with breakthrough therapy designation may be considered for conditional approval and priority review when submitting a new drug application.

As at the date of this announcement, the Group has completed the enrolment of 52 targeted patients for the Phase II clinical trial for CAR-T-19 Injection.

### ***Denocabtagene Ciloleucel Injection***

Denocabtagene Ciloleucel Injection, originally known as RC19D2, CAR-T-19-D2 and CAR-T-19-DNR, targets immunosuppressive molecule TGF- $\beta$ , is an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma. The injection has the goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment of solid tumours, and tumour recurrence. In March 2023, the Group has obtained implied approval on clinical trial for the Denocabtagene Ciloleucel Injection from the NMPA.

As at the date of this announcement, the Company has completed the enrolment of 16 targeted patients for the Phase I clinical trial for the Denocabtagene Ciloleucel Injection.

### ***aT19 Injection***

The active component of the aT19 Injection product candidate is autologous T cells genetically modified to express CD19. The gene introduced therein is an encoded gene structure that can express human CD19 protein. The reinfusion of the aT19 Injection after injecting the CAR-T-19 Injection has the potential to reactivate CAR-T cells, restart the proliferation of CAR-T cells, and induce more immune memory cells, thereby increasing the chance of killing trace amounts of residual CD19-positive tumour cells and of preventing recurrence. Through multiple stimulations from CD19 antigen, the number of CAR-T cells with immune memory function may also increase, thereby prolonging the immune surveillance duration of CAR-T cells and reducing the probability of recurrence of CD19-positive tumours.

As at the date of this announcement, the Group has received an approval of the IND for the Phase I clinical trial from the CDE for the aT19 Injection in February 2024. The Group will conduct the Phase I clinical trials at the appropriate time according to operational arrangements.

Based on the technology of the CAR-T-19 Injection, the Denocabtagene Ciloleucel Injection and aT19 Injection product candidates have the ultimate goal of overcoming CAR-T cells' pain points in terms of the lack of persistence, the lack of efficacy in the treatment, and tumour recurrence. If verified, the technology underlying these two product candidates may be used in the genetic modification of other CAR-T and TCR-T cell products targeting solid tumours.

### ***TCR-T cell product pipeline***

The Group has a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target indications including the clear cell renal cell carcinoma, and viral infections such as CMV and EBV.

The pre-IND communication for TCR-T-CMV injection for the treatment of refractory CMV infections post-hematopoietic stem cell transplantation was completed in March 2025.

Pre-clinical research on YT007 injection for the treatment of advanced clear cell renal cell carcinoma has largely been completed.

## **CORPORATE PROFILE**

### **Overview**

The Company is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy for almost 19 years. Our Core Product Candidate EAL<sup>®</sup> is a multi-target cellular immunotherapy product with more than a decade of track record of clinical application, and has shown efficacy in the treatment of various types of cancer. The Company initiated relevant research of EAL<sup>®</sup> in 2006, and has improved upon the cell culture system and methods, and developed the proprietary, patented technology platform for the production of EAL<sup>®</sup> cells.

The Company has selected the prevention of postsurgical recurrence of liver cancer as the clinical indication for the clinical trial of EAL<sup>®</sup>. We plan to submit an application to commercialize EAL<sup>®</sup> in the Chinese market once the clinical trial results are statistically significant.

The Company's product pipeline features major classes of cellular immunotherapy products, including both non-genetically-modified and genetically-modified products, as well as both multi-target and single-target products. In addition to EAL<sup>®</sup>, the main products under development include 6B11, CAR-T cell series and TCR-T cell series.

Composed of experienced cancer immunologists, the core technology team is equipped with industry foresight and sensitivity. We have established an R&D organisational structure encompassing early research, pre-clinical studies, clinical studies, and commercialised production and management, allowing for rapid implementation of the product R&D efforts.

The Company has also established technology platforms necessary for the R&D of cellular immunotherapy products and in place an organisational and management platform for clinical trials.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### R&D of the product candidates

The following chart summarises the product candidates and their R&D status as at the date of this announcement:

Product Category	Product Code	Therapeutic Area	Indications	Early Research	Pre-clinical Studies	IND	Clinical Stage		NDA
							Clinical Phase I	Clinical Phase II/III	
Non-genetically Modified Products	EAL®	Solid Tumours	Liver cancer after surgery	▶					
			Gastric cancer after surgery	▶					
	6B11		Platinum resistant ovarian cancer (OC)	▶					
Genetically Modified Products	CAR-T	Hematologic Malignancies	Relapsed/refractory B-cell acute lymphoblastic leukemia (r/r B-ALL) under 25 years of age	▶					
			Denocabtagene Cioleuceel Injection	Relapsed or refractory diffuse large B-cell lymphoma	▶				
	TCR-T	Post-transplantation Infections	CMV infection after hematopoietic stem cell transplantation	▶					
			EBV infection after hematopoietic stem cell transplantation/Chronic active EBV infection	▶					
	VAC	Solid Tumours	Clear cell renal cell carcinoma (ccRCC)	▶					
			Hematologic Malignancies	Sequential CD19 CAR-T for relapsed or refractory B hematologic malignancies	▶				

**The Company may not be able to ultimately develop and market the Core Product Candidates (including Core Products) successfully.**

#### *Non-genetically modified cell product pipeline*

##### ***EAL®***

EAL® is a broad-spectrum anti-tumour cellular immunotherapy product with more than a decade of track record of clinical application in the treatment of cancer. It is a preparation of activated and expanded T cells originally taken from a patient's autologous peripheral blood and cultured using the Group's patented methods. The main active component of the product is CD8+ cytotoxic T cells, and its cell surface marker is the CD3 molecule.

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EAL® was accepted for conditional NDA application in March 2025 and was subsequently included in the priority review and approval list in China. As at the date of this announcement, the conditional NDA application for the Group's core product candidate EAL® is under review by the Centre for Drug Evaluation of the NMPA.

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As at the date of this announcement, the Group has completed the enrolment of six targeted subjects for the Phase I clinical trial for 6B11-OCIK Injection and has completed the preliminary analysis and the interim results of the ongoing clinical trial. The Group will conduct the Phase II clinical trials at the appropriate time according to operational arrangements.

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In December 2020, the Group received an approval of the IND for clinical trials of CAR-T-19 Injection from the CDE. Following the IND approval, the Group has commenced Phase I clinical trial process for the CAR-T-19 Injection and presented the Phase I clinical trial protocol and proposed timetable in a kick-off conference meeting, which took place in Beijing, the PRC on 25 February 2021. In October 2023, the Group applied to the CDE for the commencement of the Phase II clinical trial work.

CAR-T-19 Injection was granted breakthrough therapy designation for treatment of patients aged 25 and under with relapsed/refractory B-ALL by the CDE. The designation was granted based on the solid clinical efficacy and safety data of CAR-T-19 Injection. It will expedite the clinical development of CAR-T-19 Injection and accelerate its early access to the patients. CDE's breakthrough therapy designation is designed to expedite the clinical development of innovative drugs presenting significant clinical advantages. Drug candidates with breakthrough therapy designation may be considered for conditional approval and priority review when submitting a new drug application.

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### ***TCR-T cell product pipeline***

TCR-T cell therapy is an immunotherapy based on the reinfusion of tumour antigen-specific T cells. The Group established single-cell sequencing-based technology platform to obtain different HLA-restricted TCR coding sequences for specific antigens. Subsequently, the TCR genes are inserted into the self-constructed lentiviral vector for transduction into T cells, and then the killing effect on tumour cells is confirmed by an in vitro and in vivo model. In this way, the Group intends to finally prepare a gene database for TCRs where different antigenic specificities presented by common HLA could be recognised.

The Group has a number of TCR-T cell product candidates under pre-clinical studies, with the relevant target indications including the clear cell renal cell carcinoma, and viral infections such as CMV and EBV.

TCR-T-CMV injection for the treatment of refractory CMV infections post-hematopoietic stem cell transplantation was completed for pre-IND communication in March 2025.

Pre-clinical research on YT007 injection for the treatment of advanced clear cell renal cell carcinoma has largely been completed.

**The Company cannot guarantee that the Core Product Candidate and other product candidates will ultimately be successfully developed and marketed.**

### **The Group's facilities**

The Group has a total area of approximately 27,604 sq.m. for a R&D and manufacturing centre in Beijing, the PRC, which includes a quality inspection building and clean laboratory. Such facilities are capable of supporting the pre-clinical and clinical R&D of cellular immunotherapy product candidates, as well as the early production needs upon marketing approval for the product candidates. All these facilities have been issued clean facility (area) inspection reports by the Beijing Institute for Drug Control. Leadman manufacturing shop and the Guosheng Laboratory in Beijing have the capacity to handle approximately 40,000 samples per year, and can satisfy the needs from the clinical trials for its product pipeline for two to three years, as well as the early production needs from the commercialisation of EAL®.

In order to expedite the clinical trials and prepare for the future commercialisation roadmap, the Group is planning to establish R&D and production centres in densely-populated areas in China in view of the six-hour transportation radius for EAL<sup>®</sup>, namely:

- Northern China region:
  - On 17 June 2021, the commencement ceremony for the construction of the R&D and industrialisation base took place, which marked the official launch of the construction project of the Group’s R&D and industrialisation base in Beijing, the PRC. The expected investment for the Beijing production centre would amount to approximately RMB1.2 billion, which is expected to be financed by a bank loan. After completion, it is expected to reach an annual production capacity of over 200,000 batches of cells, covering the domestic Northern and Northeast markets in China.
- Eastern China region:
  - In February 2021, Beijing Yongtai entered into a cooperation framework agreement with the Shaoxing Binhai New Area Management Committee\* (紹興濱海新區管理委員會) in relation to, among others, establishing the proposed R&D and production centre of EAL<sup>®</sup> for the Eastern China region, the proposed joint establishment of academician workstations with universities and research institutions in the PRC, the proposed land development regarding the project and the proposed establishment of the Industry Fund, targeted at the investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy. At present, the total investment for the project is expected to be approximately RMB1.0 billion. The first phase of construction of proposed R&D and production centre of EAL<sup>®</sup> for the Eastern China region is expected to complete within 48 months after obtaining the relevant land title certificate. As at the date of this report, the Group has started the construction of the production centre in Shaoxing.
  - On 11 May 2022, Shanghai Yongtai Immunobiological Products Co Ltd (上海永泰免疫生物製品有限公司) as the lessee, entered into a land use rights grant contract with Shanghai Songjiang Bureau of Planning and Natural Resources\* (上海市松江區規劃和自然資源局) as the lessor, in relation to lease a land located in Shanghai Songjiang Industrial Area, with a total site area of approximately 21,848.6 sq.m. (the “**Land**”). The Land is for industrial use and the term of the land use right for the Land is 20 years from the delivery date of the Land. The Company intends to use the Land for R&D centre of the product candidates in Eastern China region.

## **Quality assurance**

The Group has formulated the quality management documentation in accordance with GMP, covering production process procedures, product quality standards, equipment and facilities operation procedures, inspection procedures, sample retention and sampling management procedures, personnel training, environmental monitoring, verification and confirmation, deviation inspection, and quality risk control management procedures. The Group has standardised the selection, purchase, inspection, release, production process, inspection process, product storage, and transportation of the materials used in the products to ensure full compliance with relevant laws and regulations and GMP requirements. Under the Group's quality management procedures, final products can be released only after the quality inspection, in order to ensure that the products meet the relevant standards and intended use.

In particular, the production of EAL<sup>®</sup> has achieved standardisation. The Group has developed comprehensive standards in relation to the production process in order to ensure that the product is of consistent quality.

To ensure the final products meet the quality standards, all quality issues during the production process are documented, escalated to, and reviewed by senior management. The Group also conduct a formal risk assessment and justification in accordance with the standards and procedures under the quality management system and policies.

The head of the quality department reports directly to the CEO. There are two sub-teams within the quality department and they are responsible for quality assurance and quality control respectively. As at 31 December 2025, the Company had 50 staff members in the quality department.

## **Future and outlook**

### ***Expedite the commercialisation of EAL<sup>®</sup>***

The Group plans to fully advance the preparation work for the post-marketing commercialisation of EAL<sup>®</sup>, including but not limited to fully advancing the work in relation to government affairs, hospital access, marketing, medical, sales, etc.

### ***Advance the pre-clinical studies for pipeline products***

The Group will continue to focus its efforts on the CAR-T and TCR-T cell product pipeline, including but not limited to the ongoing Phase I and Phase II clinical trials, to expedite the completion of clinical and non-clinical data that meet the requirements for marketing authorization application.

In the meantime, patients often suffer from viral infections after hematopoietic stem cell transplantation (HSCT)/solid organ transplant (SOT). Cytomegalovirus (CMV) infection is a major cause of morbidity and mortality among those patients and is one of the most common risk factors. By genetically transducing general T cells with TCR genes that specifically recognise CMV-associated antigens, there is a potential for the treatment of CMV infection-related life-threatening diseases.

### ***Enhance the technology platform and strengthen the product pipeline***

The Company is committed to continuing its studies of products such as cellular immunotherapy products and in vivo delivery systems appropriate for different tumour types and stages with improved efficacy compared to currently-available products. In the area of tumour antigens for individualisation of solid tumours and autoimmune diseases, the Company identifies antigen-specific targets and TCRs suitable for different individuals, with a view to ultimately constructing a gene database targeting neoantigens that trigger autoimmune diseases and tumors in an effort to conduct research into molecule-specific autoimmune TCR-T and solid tumor TCR-T cell products.

### ***Develop viral vector production and early-stage R&D services business***

The Company has established the viral vector production system, which meets the pharmaceutical production quality standards under GMP requirements. The viral vectors that the Company has produced meet the requirements for biological products and can be produced in scale. At present, domestic CAR-T cells companies often order viral vectors from abroad. Due to the high degrees of individualisation and the nature as biological active products, cellular immunotherapy products are subject to R&D carried out through a systematic technology platform covering cell preparation, cell quality control, cell potency studies, cell safety studies, etc. In the absence of such platform, the productisation of the cells would be difficult. The Group has carried out CDMO business during the Reporting Period, based on the systematic technology platform established by the Group for the R&D of cellular immunotherapy products, and it can provide customised services according to the needs of customers.

### ***Expand strategic collaboration on the basis of organic growth***

Based on endogenous growth, the Company plans to expand strategic cooperation to seek the sale, technology transfer and strategic cooperation of existing and research products. The Company will also continue to seek new potential directions for the development of cellular immunotherapy products and explore opportunities for mergers and acquisitions and strategic cooperation.

## FINANCIAL REVIEW

### Year Ended 31 December 2025 Compared to Year Ended 31 December 2024

	For the year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other income	<b>20,507</b>	33,788
Other gains and losses, net	<b>(69,541)</b>	(11,813)
Administrative expenses	<b>(41,036)</b>	(44,540)
Research and development expenses	<b>(132,823)</b>	(154,240)
Finance costs	<b>(6,807)</b>	(7,493)
Other expenses	<b>(1,207)</b>	(2,119)
	<hr/>	<hr/>
Loss before tax	<b>(230,907)</b>	(186,417)
Income tax expense	<b>–</b>	(926)
	<hr/>	<hr/>
Loss and total comprehensive expense for the year	<b>(230,907)</b>	(187,343)
	<hr/>	<hr/>
Loss and total comprehensive expense for the year attributable to:		
Owners of the Company	<b>(230,785)</b>	(186,912)
Non-controlling interests	<b>(122)</b>	(431)
	<hr/>	<hr/>
	<b>(230,907)</b>	(187,343)
	<hr/>	<hr/>
Loss per share (RMB)		
Basic	<b>(0.42)</b>	(0.35)
Diluted	<b>(0.42)</b>	(0.35)
	<hr/>	<hr/>

## Other income

Other income of the Group decreased by approximately 39.3% from approximately RMB33.8 million for the year ended 31 December 2024 to approximately RMB20.5 million for the year ended 31 December 2025, which was primarily due to the decreased in government grants during the Reporting Period.

Set out below are the components of other income for the periods indicated:

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Income from provision of cell cryopreservation services (Note a)	900	710
Income from provision of technical services	1,013	2,409
Interest income on bank deposits	346	874
Interest income on rental deposits	186	197
Government grants (Note b)	18,062	29,369
Others	—	229
<b>Total</b>	<b>20,507</b>	<b>33,788</b>

Note a: Cell cryopreservation is the process whereby cells are preserved by cooling to very low temperatures.

Note b: Government grants related to research and development activities, compensations of the capital expenditure from local PRC government.

## Other gains and losses, net

Net other losses of the Group increased by approximately 488.7% from approximately RMB11.8 million for the year ended 31 December 2024 to approximately RMB69.5 million for the year ended 31 December 2025, primarily due to fair value loss on convertible bonds during the Reporting Period.

## Administrative expenses

Administrative expenses of the Group decreased by approximately 7.9% from approximately RMB44.5 million for the year ended 31 December 2024 to approximately RMB41.0 million for the year ended 31 December 2025, which was primarily due to decrease in staff costs.

The Group's administrative expenses primarily include staff costs, professional fees including fees paid to contractors and recruiters, depreciation expenses of the right-of-use assets for the leases, vehicles and office equipment, travel and hospitality fees and others.

## Research and development expenses

Research and development expenses of the Group decreased by approximately 13.9% from approximately RMB154.2 million for the year ended 31 December 2024 to approximately RMB132.8 million for the year ended 31 December 2025, which was primarily due to decrease in contracting costs, staff costs and material costs of research and development projects during the Reporting Period.

	Year ended 31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Materials for research and development project	7,697	16,135
Staff costs	42,148	50,342
Contracting costs	19,649	27,299
Depreciation and amortisation	45,168	46,829
Service fee	3,272	4,661
Energy fee	10,607	6,522
Others	4,282	2,452
<b>Total</b>	<b>132,823</b>	<b>154,240</b>

## Finance costs

Finance costs of the Group decreased by approximately 9.3% from approximately RMB7.5 million for the year ended 31 December 2024 to approximately RMB6.8 million for the year ended 31 December 2025, which was primarily due to reduction in interest expenses on lease liabilities recognised under IFRS 16.

## **Other expenses**

Other expenses of the Group decreased by approximately 43.0% from approximately RMB2.1 million for the year ended 31 December 2024 to approximately RMB1.2 million for the year ended 31 December 2025, which was primarily due to decrease in daily operating expenses.

## **Loss before tax**

For the above reasons, the loss before tax of the Group increased by approximately 23.9% from approximately RMB186.4 million for the year ended 31 December 2024 to approximately RMB230.9 million for the year ended 31 December 2025.

## **Income tax expense**

For the year ended 31 December 2025, the Company was not subject to any income tax in the Cayman Islands. No Hong Kong profit tax was provided for as there was no estimated assessable profit of the Hong Kong subsidiary, which was subject to Hong Kong profit tax during the Reporting Period. The subsidiaries located in the PRC were generally subject to the statutory enterprise income tax at a rate of 25% on the assessable profits according to the PRC Enterprise Income Tax Law. Beijing Yongtai, one of the Company's subsidiaries in the PRC, was accredited as a High and New Technology Enterprise for a three-year period commencing from 2 December 2024. Yongtai Ruike, one of the Company's subsidiaries in the PRC, was also accredited as a High and New Technology Enterprise for a three-year period commencing from 20 December 2023. Accordingly, Beijing Yongtai and Yongtai Ruike enjoyed a lower tax rate of 15% during the Reporting Period.

## **Liquidity and capital resources**

The bank balances and cash increased by approximately RMB7.5 million from approximately RMB47.0 million at 31 December 2024 to approximately RMB54.5 million at 31 December 2025, which was primarily attributable to the Rights Issue (defined below) during the Reporting Period.

## **Indebtedness**

### *Lease liabilities*

As at 31 December 2025, the lease liabilities were approximately RMB103.4 million.

### *Contingent liabilities, charge of assets and guarantees*

For the year ended 31 December 2025, the Company did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, loans, borrowings, lease liabilities, liabilities under acceptance or other similar indebtedness, any guarantees or other material contingent liabilities as at 31 December 2025.

### **CAPITAL STRUCTURE**

The Shares were listed on the Main Board of the Stock Exchange on 10 July 2020, and 100,000,000 Shares were issued at the offer price of HK\$11.00 per share by way of the Global Offering.

Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering. On 13 November 2025, the Company allotted and issued a total of 102,916,800 Shares due to completion of the Rights Issue. There was no change in the capital structure of the Group since then. The share capital of the Group only comprises ordinary shares. As at 31 December 2025, the total issued share capital of the Company was US\$617,500.80 divided into 617,500,800 Shares.

The capital structure of the Group was 102.9% debt and -2.9% equity as at 31 December 2025, compared with 102.9% debt and -2.9% equity as at 31 December 2024.

### **Completion of issue of Convertible Bonds under specific mandate in 2023**

On 20 February 2023, the Board announced that the convertible bonds (the “**2023 Convertible Bonds**”) in the aggregated principal amount of RMB300 million have been issued to Tasly (Hong Kong) Pharmaceutical Investment Limited (“**Tasly**”). The 2023 Convertible Bonds were convertible into the Company’s ordinary shares of US\$0.001 each at an initial Conversion Price of HK\$4.81 per Conversion Share (subject to adjustments). Conversion Shares would, upon conversion of the 2023 Convertible Bonds, be issued by the Company pursuant to the specific mandate granted to the Directors at the extraordinary general meeting held on 11 January 2023 which authorised the Company to issue and allot up to 68,493,150 Shares to Tasly. The interest rate was 6% per annum on the outstanding principal amount of the 2023 Convertible Bonds. Upon the completion of the Rights Issue, the adjusted number of Shares issuable on the exercise in full of the outstanding 2023 Convertible Bonds would become 74,452,441 at an adjusted exercise price of HK\$4.425 per conversion share.

Details of the 2023 Convertible Bonds were set out in the announcements published by the Company on 30 October 2022, 31 October 2022 and 20 February 2023 respectively, and the circular of the Company dated 16 December 2022.

Upon completion of the issue of the 2023 Convertible Bonds in February 2023, the Company received the aggregate principal amount of RMB300 million, of which (a) approximately RMB102.3 million will be applied for EAL<sup>®</sup> clinical trial and the Company is expected to utilise the remaining fund by the first half of the year 2025; and (b) approximately RMB197.7 million will be applied for the construction costs of new R&D and production centres and the Company is expected to utilise the remaining fund by the end of 2025.

As at 31 December 2025, the Company utilised a total of approximately RMB300.0 million of the proceeds. The table below sets out the planned applications of the net proceeds from the Convertible Bonds and actual usage up to 31 December 2025:

Use of proceeds	Allocation of the net proceeds from the Convertible Bonds (RMB million)	Unutilised amount as at 1 January 2025 (RMB million)	Utilised amount up to 31 December 2025 (RMB million)	Utilised amount (from 1 January 2025 to 31 December 2025) (RMB million)	Unutilised amount as at 31 December 2025 (RMB million)	Expected timeline of full utilisation of the remaining proceeds from the Convertible Bonds
EAL <sup>®</sup> clinical trial	102.3	–	102.3	–	–	Not applicable
Construction costs of new R&D and production centres	197.7	43.4	197.7	43.4	–	Not applicable
<b>Total</b>	<b>300.0</b>	<b>43.4</b>	<b>300.0</b>	<b>43.4</b>	<b>–</b>	

As at 31 December 2025, the Group had utilised the net proceeds from the 2023 Convertible Bonds of RMB300.0 million and no net proceeds were remaining.

### Completion of Transfer of the 2023 Convertible Bonds

On 18 December 2024, the Company was informed by Tasly that it has agreed to transfer its entire holding of the 2023 Convertible Bonds in the aggregate principal amount of RMB300.0 million subject to the fulfillment of several conditions precedent. On 27 June 2025, all the conditions precedent of the transfer of the 2023 Convertible Bonds have been fulfilled and completion took place on 15 July 2025. The terms of the 2023 Convertible Bonds remain unchanged following the transfer. To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, save for its investment in the Company through the holding of the 2023 Convertible Bonds, the current bonds holder and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## Issuance of New Convertible Bonds and Note

On 9 February 2026, the Company and the Investor entered into an agreement to issue new convertible bonds with the principal amount of RMB270 million (the “**2026 Convertible Bonds**”) and a note with the principal amount of RMB30 million (the “**Note**”) to the Investor to settle the 2023 Convertible Bonds. On 13 February 2026, the issuance was completed and the consideration for the subscription were applied exclusively as full and final settlement of principal amount of the 2023 Convertible Bonds. Both the 2026 Convertible Bonds and the Note have a maturity of 364 days from the date of issue. The interests of 2023 Convertible Bonds to the Investor have been repaid on 13 February 2026.

## Completion of Rights Issue

During the Reporting Period, the Company conducted a rights issue under which the Company issued a total of 102,916,800 new Shares at the Subscription Price of HK\$2.5 per rights share on the basis of one (1) rights share for every five (5) existing Shares in issue on the record date to the Qualifying Shareholders and raised net proceeds of approximately HK\$252.37 million (the “**Rights Issue**”). The Rights Issue took place on 13 November 2025. Please refer to the announcements published by the Company on 19 September 2025 and 12 November 2025 and the prospectus issued by the Company on 13 October 2025 for further details of the Rights Issue.

## Actual use of proceeds from Rights issue

Use of proceeds	Allocation of the net proceeds from the Rights Issue (HKD million)	Utilised amount up to 31 December 2025 (HKD million)	Unutilised amount as at 31 December 2025 (HKD million)	Expected timeline of full utilisation of the remaining proceeds from the Rights Issue
Early commercialization and clinical trials of EAL <sup>®</sup>	136.0	62.16	73.84	by the end of 2026
Research and development expenditure in connection with other pipeline products and early stage research projects	60.5	26.01	34.49	by the end of 2026
The Group’s general working capital for operations and development of the Group, such as staff costs	55.9	8.48	47.413	by the end of 2026
<b>Total</b>	<b>252.4</b>	<b>96.65</b>	<b>155.75</b>	

## FOREIGN EXCHANGE

Foreign currency risk refers to the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the financial condition and results of operation. The Group mainly operates in the PRC and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong dollars. The conversion of foreign currencies into RMB, including Hong Kong dollars, has been based on rates set by the People's Bank of China. The Group seeks to limit the exposure to foreign currency risk by closely monitoring and minimising its net foreign currency position. During the Reporting Period, the Group did not enter into any currency hedging transactions.

## SELECTED FINANCIAL RATIO

The following table sets out certain selected financial ratios as at the balance sheet dates indicated:

	Year ended 31 December	
	2025	2024
Current ratio <sup>(1)</sup>	<b>0.35</b>	0.20
Quick ratio <sup>(2)</sup>	<b>0.34</b>	0.19
Gearing ratio <sup>(3)</sup>	<u>—</u>	<u>—</u>

*Notes:*

- (1) Current ratio equals current assets divided by current liabilities as at the end of the year.
- (2) Quick ratio equals (a) current assets less materials for R&D project divided by (b) current liabilities as at the end of the year.
- (3) Gearing ratio equals total borrowings divided by total equity as at the end of the year. As at 31 December 2025, the Group had no interest-bearing borrowings, such that the gearing ratio is not applicable for the year ended 31 December 2025.

The current ratio increased from 0.20 as at 31 December 2024 to 0.35 as at 31 December 2025 and the quick ratio increased from 0.19 as at 31 December 2024 to 0.34 as at 31 December 2025, the increase in both ratios were primarily due to the increase in current assets was attributable to the rights issue financing of the Group during the Reporting Period.

## FINAL DIVIDEND

No dividend was paid, declared or proposed for the Reporting Period.

## **EVENTS AFTER REPORTING PERIOD**

As announced by the Company on 20 January 2026 (after trading hours), the Company and the Investor, the holder of the 2023 Convertible Bonds, entered into the framework agreement, pursuant to which the Investor has agreed to subscribe for the 2026 Convertible Bonds and the Note. As further announced by the Company on 13 February 2026, the consideration for the subscription were applied exclusively as full and final settlement of principal amount of the 2023 Convertible Bonds which would mature on 20 February 2026. For further details, please refer to the announcements of the Company dated 20 January 2026, 9 February 2026 and 13 February 2026.

Save as disclosed in this announcement, there were no material events which could have an impact on the Company since 31 December 2025 and up to the date of this announcement.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company is scheduled to be held on Friday, 22 May 2026 (the “AGM”). A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

## **CLOSURE OF THE REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM, during which period no share transfers will be registered. To be eligible to attend and vote at the AGM, unregistered holders of shares must lodge all properly completed transfer forms accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 18 May 2026. The record date for determining the Shareholders’ entitlement to attend and vote at the AGM is Friday, 22 May 2026.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Corporate Governance**

The Company has applied the principles and code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules as its own code of corporate governance. The CG code has been applicable to the Company during the Reporting Period.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the Report Period.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

## **Use of Net Proceeds from Listing and Over-allotment Option**

The Shares were listed on the Stock Exchange on 10 July 2020. Subsequently, the Company announced that the over-allotment option described in the Prospectus was partially exercised by the joint representatives, on behalf of the international underwriters, on 31 July 2020, in respect of an aggregate of 14,584,000 Shares representing approximately 14.58% of the total number of the Shares initially available under the Global Offering before any exercise of the over-allotment option to facilitate the return to Tan Zheng Ltd of the borrowed Shares under the stock borrowing agreement which were used to cover over-allocations in the international offering.

After deducting the underwriting fees and commissions, other listing expenses and other expenses in connection with the exercise of the initial Global Offering and the exercise of the over-allotment option, the net proceeds amounted to approximately HK\$1,127.8 million. As at the date of this announcement, the Company used a total of approximately HK\$1,124.8 million of the proceeds, including approximately HK\$385.6 million for investment in the ongoing clinical trial and commercialisation of EAL<sup>®</sup>, approximately HK\$374.5 million for investments in CAR-T-19 clinical trial and TCR-T product series candidates, approximately HK\$212.5 million for R&D expenditure in connection with expansion of other clinical indications for EAL<sup>®</sup>, approximately HK\$95.8 million for development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres and approximately HK\$56.4 million for working capital and other general corporate purposes. The Company intends to apply such net proceeds in accordance with the purposes as set out in the Prospectus.

The table below sets out the planned applications of the net proceeds from the Global Offering and the over-allotment option and actual usage up to 31 December 2025:

Use of Proceeds	Allocation of the net proceeds from the Global Offering (HK\$ million)	Percentage of total net proceeds (%)	Unutilised amount (as at 1 January 2025) (HK\$ million)	Utilised amount (from the Listing Date to 31 December 2025) (HK\$ million)	Utilised amount (from 1 January 2025 to 31 December 2025) (HK\$ million)	Unutilised amount (as at 31 December 2025) (HK\$ million)	Expected timeline of full utilisation of the remaining proceeds from the Global Offering as at 31 December 2025 <sup>(1)</sup>
For investment in the ongoing clinical trial and commercialisation of EAL <sup>®</sup>	385.6	34.2	–	385.6	–	–	Not applicable
For R&D expenditure in connection with expansion of other clinical indications for EAL <sup>®</sup>	213.2	18.9	0.7	212.5	–	0.7	By the end of 2026
For investments in CAR-T-19 clinical trial and TCR-T product series candidates	374.5	33.2	–	374.5	–	–	Not applicable
Development of other product candidates in the product pipeline including R&D expenditure and the construction costs of new R&D and production centres	98.1	8.7	2.3	95.8	–	2.3	By the end of 2026
Working capital and other general corporate purposes	56.4	5.0	–	56.4	–	–	Not applicable
<b>Total</b>	<b>1,127.8</b>	<b>100.0</b>	<b>3.0</b>	<b>1,124.8</b>	<b>–</b>	<b>3.0</b>	

(1) The expected timeline of full utilisation is based on the Directors' best estimation barring unforeseen circumstances.

For the Company's planned usage of the use of proceeds as described above, the Company expects the net proceeds will be used up by 2026.

## Significant Investments, Material Acquisitions and Disposals

As at 31 December 2025, financial assets at FVTPL amounted to approximately RMB100.1 million, representing approximately 16.6% of the total assets of the Group.

On 8 December 2025, the Group (through its indirect wholly-owned subsidiary, Weixiao Biotech) subscribed for two structured deposit products from Bank of China Limited, with investment values of RMB20.0 million and RMB100.0 million, respectively, which will mature on 31 December 2025 and 10 February 2026, respectively. As at 31 December 2025, the Group continues to hold one structured deposit product with a total amount of RMB100.0 million. For further details, please refer to the announcement of the Company dated 8 December 2025.

None of the investment that was designated as financial assets at FVTPL in the Group's investment portfolio had a carrying amount that accounts for 5% or more of the Group's total assets as at 31 December 2025.

Save as disclosed and as at the date of this announcement, there were no significant investments held by the Group or future plans regarding significant investment or capital assets.

## Employee and Remuneration Policy

As at 31 December 2025, the Company had a total of 183 employees in the PRC. The total amount of employee remuneration of the Group (including directors' remuneration) for the year was approximately RMB56.9 million (2024: approximately RMB70.1 million).

The following table sets forth the number of the employees for each function as at 31 December 2025:

<b>Function</b>	<b>Number of Employees</b>
General management and administration	19
R&D	10
Senior management	6
Production, purification, equipment, safety and supply chain	82
Quality	50
Clinical support and business development	16
<b>Total</b>	<b>183</b>

The Group has designed an evaluation system to assess the performance of the employees periodically. Such system forms the basis of the determinations of whether an employee should receive a salary raise, bonus, or promotion. The Company believed the salaries and the bonuses the employees receive are competitive with market rates.

The Group places strong emphasis on providing training to the employees in order to enhance their technical and product knowledge. The Group designs and offer different training programmes for the employees in various positions.

The Group makes contributions to the social insurance and housing provident fund for all the employees in the PRC.

## Share Option Schemes

In order to reward the participants defined thereunder for their contribution to the Group's success and to provide them with incentives to further contribute to the Group, the Company adopted the pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) on 31 December 2019 and the post-IPO share option scheme (the “**Post-IPO Share Option Scheme**”) on 6 June 2020.

For details of the principal terms of the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, please refer to Appendix IV to the Prospectus.

### *Pre-IPO Share Option Scheme*

The summary of the share options granted under the Pre-IPO Share Option Schemes that were still outstanding as at 31 December 2025 is as follows:

Name of the grantees	No. of share options outstanding as at 31 December 2024	Adjusted no. of share options during the Reporting Period and up to 31 December 2025	No. of share options exercised during the Reporting Period and up to 31 December 2025	No. of share options cancelled during the Reporting Period and up to 31 December 2025	No. of share options lapsed during the Reporting Period and up to 31 December 2025	No. of share options outstanding as at 31 December 2025
Tan Zheng <i>Chairman and executive Director</i>	5,000,000	395,000	–	–	–	5,395,000
Wang Yu <i>Executive Director, CEO and CTO (resigned on 25 June 2025)</i>	23,450,000	–	–	–	23,450,000	–
Employees (in aggregate)	7,480,000	327,850	–	–	3,330,000	4,477,850
<b>Total</b>	<b>35,930,000</b>	<b>722,850</b>	<b>–</b>	<b>–</b>	<b>26,780,000</b>	<b>9,872,850</b>

Details regarding the number of options, date of grant, vesting period, exercise period and exercise price of the share options granted under the Pre-IPO Share Option Scheme that were still outstanding as at 31 December 2025 are set out below:

Name of the grantees	Date of grant	Vesting Period	Exercise Period	Exercise Price per share (Note 2)	No. of outstanding option as at 31 December 2025
Tan Zheng <i>Chairman and executive Director</i>	31 December 2019	Two equal tranches on 31 December 2020 and 2021, respectively	31 December 2019 to 30 December 2026	HK\$5.097	5,395,000
Employees (in aggregate)	31 December 2019	Three tranches of 30%, 30% and 40% on 31 December 2020, 2021 and 2022, respectively/Two equal tranches on 31 December 2020 and 2021, respectively (Note 1)	31 December 2019 to 30 December 2026	HK\$5.097	4,477,850
<b>Total</b>					<b><u>9,872,850</u></b>

Notes:

- For details of the vesting periods of share options granted to each of the employees, please refer to Appendix IV to the Prospectus.
- Closing price of the shares is not applicable as the Shares were not listed at the date of grant.

As at the date of this announcement, the total number of Shares available for issue under the Share Option Scheme is 9,872,850 Shares, representing approximately 1.60% of the total issued Shares.

### ***Post-IPO Share Option Scheme***

The Post-IPO Share Option Scheme will remain in force for a maximum period of 10 years commencing on the date on which the Post-IPO Share Option Scheme is adopted.

No share options were granted, exercised, cancelled or lapsed under the Post-IPO Option Scheme during the period from the Listing Date to date of this announcement.

### **Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules to regulate all dealings by Directors and relevant employees in securities of the Company and other matters covered by the Model Code.

Specific enquiry has been made to each Director and all Directors have confirmed that they have complied with the applicable standards set out in the Model Code during the Reporting Period. No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

### **Directors' Interest in Contracts**

None of the Directors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party throughout the Reporting Period and up to the date of this Announcement.

### **Purchase, Sale or Redemption of the Company's Listed Securities**

As at 31 December 2025, there is no treasury shares held by the Company.

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any Shares (includes the sale of treasury shares) during the Reporting Period.

### **Audit Committee and Review of Financial Report**

The Audit Committee was established on 6 June 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code as set out in Appendix C1 to the Listing Rules. As at the date of this announcement, the Audit Committee consists of three members, being two independent non-executive Directors, namely Mr Ng Chi Kit, who is the chairman of the Audit Committee, Professor Wang Yingdian, and one non-executive Director, namely Mr Cao Ran. Mr Ng Chi Kit is an independent non-executive Director possessing the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the Audit Committee are to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process and to perform other duties and responsibilities as assigned by the Directors.

The Audit Committee has reviewed the Company's annual financial results for the year ended 31 December 2025, and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made.

### **Scope of Work of Messrs. Deloitte Touche Tohmatsu**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 20 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **Extract from the Auditor’s Report**

The following is an extract from the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2025.

### ***Opinion***

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### ***Material Uncertainty Related to Going Concern***

We draw attention to Note 3 to the consolidated financial statements, which indicates that the Group incurred a net loss of RMB230,907,000 and a net operating cash outflow of RMB97,291,000 for the year ended 31 December 2025, and as of that date, the Group has net current liabilities of RMB319,262,000, net liabilities of RMB17,206,000, bank balances and cash of RMB54,458,000 and structured bank deposits of RMB100,109,000. These events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Changes to Directors’ Information**

There has been no change in the Directors’ biographical details except Mr Ng Chi Kit was re-designated as an executive director of Chaowei Power Holdings Limited on 14 October 2025 which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Reporting period.

### **Directors’ Rights to Acquire Shares or Debentures**

Save for the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme, no arrangement has been made by the Company or any of its subsidiaries for any Director to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debt securities of the Company or any other body corporate were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised during or at the end of the Reporting Period.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 DECEMBER 2025*

		<b>For the year ended</b>	
		<b>31 December</b>	
		<b>2025</b>	2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
Other income	5	<b>20,507</b>	33,788
Other gains and losses, net	6	<b>(69,541)</b>	(11,813)
Administrative expenses		<b>(41,036)</b>	(44,540)
Research and development expenses		<b>(132,823)</b>	(154,240)
Finance costs	7	<b>(6,807)</b>	(7,493)
Other expenses	5	<b>(1,207)</b>	(2,119)
		<hr/>	<hr/>
Loss before tax		<b>(230,907)</b>	(186,417)
Income tax expense	8	<b>–</b>	(926)
		<hr/>	<hr/>
Loss and total comprehensive expense for the year	9	<b>(230,907)</b>	(187,343)
		<hr/>	<hr/>
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		<b>(230,785)</b>	(186,912)
Non-controlling interests		<b>(122)</b>	(431)
		<hr/>	<hr/>
		<b>(230,907)</b>	(187,343)
		<hr/>	<hr/>
Loss per share (RMB)	<i>11</i>		
Basic		<b>(0.42)</b>	(0.35)
		<hr/>	<hr/>
Diluted		<b>(0.42)</b>	(0.35)
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2025**

		<b>As at 31 December</b>	
		<b>2025</b>	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>407,002</b>	451,603
Intangible assets		<b>17,899</b>	19,551
Prepayments, deposits and other receivables		<b>6,402</b>	5,180
Contract costs		<b>43</b>	214
		<hr/> <b>431,346</b>	<hr/> 476,548
<b>CURRENT ASSETS</b>			
Contract costs		<b>170</b>	250
Financial assets at fair value through profit or loss ("FVTPL")	<i>12</i>	<b>100,109</b>	10,536
Prepayments, deposits and other receivables	<i>13</i>	<b>12,338</b>	18,528
Amounts due from related parties		–	100
Materials for research and development project		<b>4,517</b>	5,542
Pledged bank deposits		–	5,581
Bank balances and cash		<b>54,458</b>	46,957
		<hr/> <b>171,592</b>	<hr/> 87,494
<b>CURRENT LIABILITIES</b>			
Contract liabilities		<b>1,372</b>	1,729
Trade and other payables	<i>14</i>	<b>127,013</b>	131,925
Lease liabilities		<b>25,650</b>	27,445
Deferred government grants		–	46
Other financial liability	<i>15</i>	<b>336,612</b>	268,097
Other borrowings		<b>207</b>	–
Tax liabilities		–	964
		<hr/> <b>490,854</b>	<hr/> 430,206
<b>NET CURRENT LIABILITIES</b>		<hr/> <b>(319,262)</b>	<hr/> (342,712)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/> <b>112,084</b>	<hr/> 133,836

		<b>As at 31 December</b>	
		<b>2025</b>	2024
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>NON-CURRENT LIABILITIES</b>			
Contract liabilities		<b>116</b>	811
Lease liabilities		<b>77,794</b>	89,017
Deferred government grants		<b>51,380</b>	60,461
		<u><b>129,290</b></u>	<u>150,289</u>
<b>NET LIABILITIES</b>		<u><b>(17,206)</b></u>	<u>(16,453)</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>16</i>	<b>4,306</b>	3,576
Reserves		<b>(18,233)</b>	(16,872)
		<u><b>(13,927)</b></u>	<u>(13,296)</u>
Deficit attributable to owners of the Company		<b>(3,279)</b>	(3,157)
Non-controlling interests		<u><b>(17,206)</b></u>	<u>(16,453)</u>
<b>TOTAL DEFICIT</b>		<u><b>(17,206)</b></u>	<u>(16,453)</u>

## 1. GENERAL INFORMATION

Immunotech Biopharm Ltd (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act Chapter 22 (Law of 3 of 1961, as consolidated and revised) of the Cayman Islands on 11 April 2018. Its ordinary shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 10 July 2020. The address of the Company’s registered office is at P.O. Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company is at 8/F, Block 1, Guosheng Technology Park, No. 1 Kangding Street, Beijing Economic-Technological Development Area, Beijing, the PRC.

The principal activity of the Company is investment holding and its subsidiaries are mainly engaged in research and development, manufacturing and commercialisation of immune cell products for treatments of cancers in the PRC. The Company and its subsidiaries are hereinafter collectively referred to as the “**Group**”.

The consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries.

## 2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

### (a) Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

### (b) New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

#### **IFRS Accounting Standards**

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 <sup>2</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>

1. Effective for annual periods beginning on or after a date to be determined.

2. Effective for annual periods beginning on or after January 1, 2026.

3. Effective for annual periods beginning on or after January 1, 2027.

Except as described below, the directors of the Company (the “**Directors**”) anticipate that the application of the above amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### ***IFRS 18 Presentation and Disclosure in Financial Statements***

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group’s MPMs will be disclosed in a separate note to the consolidated financial statements.

## **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

In preparation of the consolidated financial statements for the year ended 31 December 2025, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group incurred a net loss of RMB230,907,000 and a net operating cash outflow of RMB97,291,000 for the year ended 31 December 2025, and as of that date, the Group has net current liabilities of RMB319,262,000, net liabilities of RMB17,206,000, bank balances and cash of RMB54,458,000 and structured bank deposits of RMB100,109,000. 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 has formulated various plans and measures with the objective to improve the liquidity and cashflows of the Group, including but not limited to, the following:

- i) Certain of the Company’s shareholders have agreed to provide financial support to the Group with aggregate amount not less than RMB175 million, to meet the demand of funds of the Group for its operating needs, for a period not less than 12 months from 31 March 2026, when the Group has insufficient funds and is unable to obtain additional financing from third parties. The Directors have evaluated and are satisfied with these shareholders’ ability of providing necessary financial support to the Group.

- ii) Subsequently to 31 December 2025, the Company has successfully issued new convertible bonds with the principal amount of RMB270 million and a note with the principal amount of RMB30 million (collectively as “**Instruments**”) with maturity on 13 February 2027, to settle the principal amount of the 2023 bonds. The Group has also obtained extension commitment from the holder of the Instruments, subject to the following extension conditions: (a) repayment of all outstanding interest on the matured Instruments; and (b) agreement on key extension terms, including extension period, interest rate, conversion price, and required collateral.
- iii) The Group is actively seeking applicable government subsidies. The Directors believe that the Group has substantially met the eligibility criteria for a subsidy provided by local authorities in relation to the Company’s core product candidate, and hence the application will be successful.
- iv) The Group continues to negotiate with certain of its construction contractors and suppliers to manage and extend the payment schedules.
- v) The Group is actively negotiating with several banks to obtain borrowings at a reasonable cost.

The Directors performed an assessment of the Group’s future liquidity and cash flows, which included a cash flow projection for a period of not less than twelve months from 31 December 2025 and a review of assumptions about the likelihood of success of the plans and measures being implemented to meet the Group’s financing needs. Taking into account the above plans, measures and considering the underlying bases of management’s cash flow projection, the Directors are of the opinion that the Group will have funds available to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025. Accordingly, the Directors consider it appropriate to prepare the Group’s consolidated financial statements on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group can achieve the plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon:

- i) the success in timely obtaining financial support from shareholders as needed.
- ii) the success in timely satisfying the extension conditions and obtaining further extension of the Instruments with holder as needed.
- iii) the success in timely obtaining government subsidies.
- iv) the success in management of the payments to construction contractors and suppliers.
- v) the success in timely obtaining sufficient bank borrowings at a reasonable cost as needed.

If the Group fails to achieve the above-mentioned plans and measures, it may not be able to continue as a going concern and adjustments would have to be made to write down the carrying value of the Group’s assets to their recoverable amount, to provide for further liabilities that may arise and to reclassify certain non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments are not reflected in these consolidated financial statements.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

##### **Leases**

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 *Leases* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### ***The Group as a lessee***

##### ***Short-term leases***

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

### *Right-of-use assets*

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

### *Refundable rental deposits*

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments (including in-substance fixed payments).

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

### *Lease modifications*

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

### **Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred government grants in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

## **Share-based payments**

### ***Equity-settled share-based payment transactions***

#### *Share options granted to employees*

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). In cases where the grant date occurs after the employees to whom the equity instruments were granted have begun rendering services, the Group estimates the grant date fair value of the equity instruments for the purposes of recognising the services received during the period between service commencement date and grant date. Once the grant date has been established, the Group revises the earlier estimation so that the amounts recognised for services are ultimately based on grant date fair value. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

## **Taxation**

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

### **Property, plant and equipment**

Property, plant and equipment (other than construction in progress), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property, plant and equipment, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## **Intangible assets**

### ***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### ***Research and development expenditure***

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

## **Impairment on property, plant and equipment (including right-of-use assets), contract costs and intangible assets**

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment (including right-of-use assets), intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment (including right-of-use assets) and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15 *Revenue from Contracts with Customers*, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related services less the costs which relate directly to providing those services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### **Materials for research and development project**

Materials for research and development project are mainly reagent and consumable materials for research and development purposes. Materials for research and development project are stated at the lower of cost and recoverable amount, and expensed as they are consumed.

### **Financial instruments**

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### ***Financial assets***

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification and subsequent measurement of financial assets*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets of the Group are subsequently measured at fair value.

#### (i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below).

#### (ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income or designated as at fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest earned on the financial asset and is included in the “other gains and losses, net” line item.

#### *Impairment of financial assets*

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including deposits and other receivables, amounts due from related parties, pledged bank deposits, bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of deposits and other receivables where the corresponding adjustment is recognised through a loss allowance account.

### *Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item (Note 6) as part of the exchange gains (loss);
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains and losses, net' line item (Note 6) as part of the fair value gains (loss) on financial assets at FVTPL, net.

### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

### ***Financial liabilities and equity***

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### *Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 Business Combinations applies, (ii) held for trading or (iii) designated as at FVTPL.

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

#### *Financial liabilities at amortised cost*

Financial liabilities including trade and other payables and other borrowings are subsequently measured at amortised cost, using the effective interest method.

#### *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the in the 'Other gains and losses, net' line item (Note 6) as part of the exchange gains (loss) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

### *Convertible bonds*

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value and the convertible bonds are designated as at FVTPL. In subsequent period, changes in fair value are recognised in profit or loss as fair value gain or loss.

The net gain or loss recognised in profit or loss includes interest incurred on the convertible loan notes and is included in "other gains and losses, net" line item.

Transaction costs relating to the issue of the convertible bonds are charged to profit or loss immediately.

When determining the classification of convertible bonds designated at "FVTPL" as current or non-current, the Group considers both the redemption through cash settlement and the transfer of the Group's own equity instruments as a result of exercise of conversion option by holders as settlement of the convertible bonds.

### *Derecognition/modification of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a convertible instrument are modified, such as extending the tenure, change in exercise price of the underlying options, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss.

### *Derivative financial instruments*

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

## 5. OTHER INCOME/OTHER EXPENSES

### Other income

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Income from provision of cell cryopreservation services	900	710
Government grants ( <i>Note</i> )	18,062	29,369
Income from provision of technical services	1,013	2,409
Interest income on bank deposits	346	874
Interest income on rental deposits	186	197
Others	–	229
	<hr/>	<hr/>
Total	<b>20,507</b>	<b>33,788</b>

### Other expenses

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Costs for provision of cell cryopreservation services	280	288
Costs for provision of technical services	927	1,473
Others	–	358
	<hr/>	<hr/>
Total	<b>1,207</b>	<b>2,119</b>

*Note:* An analysis of the Group's government grants is as follows:

	For the year ended	
	31 December	
	2025	2024
	RMB'000	RMB'000
Government grants related to		
– Research and development activities	46	14,285
– Machinery	9,081	8,467
– Others	8,935	6,617
	<hr/>	<hr/>
	<b>18,062</b>	<b>29,369</b>

Government grants include subsidies from local governments which are specifically for (i) the subsidies for the Group's research and development activities, which are recognised upon compliance with the attached conditions; (ii) compensations of the capital expenditure incurred for purchase of machinery in relation to research and development of immune cell products, which are recognised over the useful lives of the related assets; and (iii) subsidies to provide immediate financial support to the Group with no conditions attached which are recognised in profit or loss when the subsidies are received.

## 6. OTHER GAINS AND LOSSES, NET

	For the year ended	
	31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Fair value gain (loss) on financial assets at FVTPL, net	192	(19,811)
Fair value (loss) gain on other financial liability	(68,515)	58,742
Loss on disposal of property, plant and equipment	(30)	(39)
Exchange (loss) gain, net	(598)	216
Termination loss of an intangible asset	–	(19,316)
Impairment loss of an intangible asset	–	(562)
Impairment loss on prepayment to suppliers	–	(4,736)
Compensation for suspension of construction in progress	–	(26,323)
Gain on early termination of a lease	–	23
Others	(590)	(7)
	<u>          </u>	<u>          </u>
Total	<u>(69,541)</u>	<u>(11,813)</u>

## 7. FINANCE COSTS

	For the year ended	
	31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on:		
Lease liabilities	6,346	7,493
Other borrowings	461	–
	<u>          </u>	<u>          </u>
Total	<u>6,807</u>	<u>7,493</u>

## 8. INCOME TAX EXPENSE

### (a) Income tax expense

	For the year ended	
	31 December	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax:		
PRC enterprise income tax (“EIT”)	–	964
Over provision in prior years:		
PRC EIT	–	(38)
	<u>          </u>	<u>          </u>
Total	<u>–</u>	<u>926</u>

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and implementation regulations of the EIT Law, the statutory tax rate of the Company’s PRC subsidiaries is 25% for both years.

Beijing Yongtai has been accredited as a “High and New Technology Enterprise” by the Science and Technology Bureau of Beijing and relevant authorities on 31 October 2018 for a term of three years and further extend to December 2024 and December 2027 subsequently. Beijing Yongtai has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2018.

Yongtai Ruike has been accredited as a “High and New Technology Enterprise” by the Science and Technology Bureau of Beijing and relevant authorities on 20 December 2023 for a term of three years and has been registered with the local tax authorities for enjoying the reduced EIT rate of 15% and the unused tax losses could be utilised for 10 years since 2023.

Accordingly, the profits derived by Beijing Yongtai are subject to EIT rate of 15% (year ended 31 December 2024: 15%) for the year ended 31 December 2025, and the profits derived by Yongtai Ruike is subject to EIT rate of 15% (year ended 31 December 2024: 15%) for the year ended 31 December 2025.

No provision for PRC EIT was made as the Group’s PRC subsidiaries incurred tax losses for the year ended 31 December 2025.

No Hong Kong Profits Tax was provided for as there was no estimated assessable profit of the Group’s Hong Kong subsidiary that was subject to Hong Kong Profits Tax.

The income tax expense for the year is reconciled to loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2025</b>	2024
	<b>RMB’000</b>	RMB’000
Loss before tax	<b>(230,907)</b>	(186,417)
Tax at the applicable tax rate of 25% (2024: 25%)	<b>(57,727)</b>	(46,604)
Tax effect of non-taxable income	<b>(45)</b>	(19,294)
Tax effect of expenses not deductible for tax purpose	<b>15,787</b>	13,635
Tax effect of additional deduction for research and development expenses ( <i>Note</i> )	<b>(25,328)</b>	(32,290)
Over provision in respect of prior years	–	(38)
Tax effect of unrecognised tax losses	<b>67,445</b>	86,067
Utilisation of tax losses previously not recognised	<b>(132)</b>	(550)
	<b>–</b>	926

*Note:* Pursuant to Caishui 2023 circular No. 7, Beijing Yongtai and Yongtai Ruike enjoy deduction of 200% on qualifying research and development expenses for the years ended 31 December 2025. Beijing Yongtai, Yongtai Ruike and Beijing Weixiao Biotechnology Development Limited\* (北京緯曉生物技術開發有限責任公司) (“**Beijing Weixiao**”) enjoy deduction of 200% on qualifying research and development expenses for the years ended 31 December 2024.

\* *English name is for identification purpose only*

(b) **Deferred taxation**

For the purpose of presentation in the statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Deferred tax assets	13,575	14,678
Deferred tax liabilities	(13,575)	(14,678)
	<u>          </u>	<u>          </u>
	–	–

The following are the deferred tax liabilities and assets recognised and movements thereon during the Track Record Period:

	Right-of-use assets	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2024	(17,695)	17,695	–
Credit (charge) to profit or loss	<u>3,017</u>	<u>(3,017)</u>	<u>–</u>
At 31 December 2024	(14,678)	14,678	–
Credit (charge) to profit or loss	<u>1,103</u>	<u>(1,103)</u>	<u>–</u>
<b>At 31 December 2025</b>	<b><u>(13,575)</u></b>	<b><u>13,575</u></b>	<b><u>–</u></b>

As at 31 December 2025, the Group had unused tax losses of RMB2,125,758,000 (31 December 2024: RMB1,874,778,000) which are available for offset against future profits. No deferred tax asset has been recognised in respect of the remaining unused tax losses as at 31 December 2025 and 2024 due to the unpredictability of future profit streams.

The unused tax losses will be expired as follows:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
2025	–	18,693
2026	47,277	47,384
2027	62,834	62,834
2028	56,948	56,948
2029	125,720	125,720
2030	265,075	261,958
2031	381,415	381,415
2032	320,898	320,898
2033	293,487	293,487
2034	305,441	305,441
2035	266,663	–
	<u>          </u>	<u>          </u>
Total	<b><u>2,125,758</u></b>	<b><u>1,874,778</u></b>



For the purpose of calculation of diluted loss per share for the years ended 31 December 2025, the share options granted under the pre-IPO share option scheme and the conversion of the Company's outstanding other financial liability and the dilutive factor of the rights issue were not included as their inclusion would result in a decrease in loss per share. For the purpose of calculation of diluted loss per share for the years ended 31 December 2024, the share options granted under the pre-IPO share option scheme and the conversion of the Company's outstanding other financial liability were not included as their inclusion would result in a decrease in loss per share.

## 12. FINANCIAL ASSETS AT FVTPL

	As at 31 December	
	2025 RMB'000	2024 RMB'000
Investment in the Tasly Fund ( <i>Note i</i> )	–	–
Investment in the Shaoxing Fund ( <i>Note ii</i> )	–	–
Investment in the certificate of deposits ( <i>Note iii</i> )	–	10,536
Investment in the structured bank deposits ( <i>Note iv</i> )	<b>100,109</b>	–
	<hr/>	<hr/>
Total	<b>100,109</b>	10,536
	<hr/>	<hr/>

### Notes:

- i. In December 2020, the Company entered into a subscription agreement with Tasly Bioscience Fund Limited, in relation to the subscription of limited partner interests in Tasly Bioscience Fund, L.P. (the “**Tasly Fund**”). The investment represents indirect interests in a bio-science company in Korea (“**Target A**”) which is accounted for as a financial asset at FVTPL under IFRS 9. As at 31 December 2025 and 2024, Target A has ceased its clinical research and did not expect the research activities to be resumed in the foreseeable future, therefore, the fair value of the investment approximates to nil. Based on the above situation, the Directors determine that the identification of significant unobservable inputs and the sensitivity analysis of the valuation is not meaningful.
- ii. In February 2021, the Company's subsidiary, Beijing Yongtai, entered into a subscription agreement in relation to the subscription of limited partner interests in (紹興永晟股權投資合夥企業(有限合夥)) (the “**Shaoxing Fund**”). Subject to the terms of the limited partnership agreement, the initial term of the Shaoxing Fund shall be seven years and each of the partners will be entitled to share the profit or loss attributable to a project investment in proportion to their respective paid capital commitment to fund the acquisition cost of such project investment. The general partner, Tianjin Jinxin Health Technology Co., Ltd.\* (天津金新健康科技有限公司), has exclusive power over the management and control of the operation, investment affairs and other matters relating to the Shaoxing Fund.

The subscription amount of RMB50,000,000 had been paid in April 2021. The investment was accounted for as financial assets at FVTPL under IFRS 9. The Shaoxing Fund made the investment of RMB500,000,000 to subscribe convertible bonds of a company principally engaged in gene testing services in Mainland China (“**Target B**”). The convertible bonds carry interests of 6% per annum and had an original maturity period to May 2024. In March 2024, Target B repaid RMB180,000,000 to Shaoxing Fund and the subscription amount of RMB24,195,000 was redeemed by Beijing Yongtai in June 2024.

As at 31 December 2025 and 2024, the remaining principal of RMB320,000,000 of the convertible bonds did not extend and have been past due. According to the management's assessment, considering the financial position of Target B, the fair value of the remaining investment in Shaoxing Fund was RMB nil. Based on the above situation, the Directors determine that the identification of significant unobservable inputs and the sensitivity analysis of the valuation is not meaningful.

The fair value of investment in the Shaoxing Fund is as follows:

	<b>Investment in the Shaoxing Fund RMB'000</b>
As 1 January 2024	43,969
Redemption of the investment	(24,195)
Change in fair value	<u>(19,774)</u>
At 31 December 2024 and 2025	<u><u>–</u></u>

- iii. The Group invested in the certain certificate of deposits with a bank in PRC as at 31 December 2024. The certificate of deposits carried fixed interest rate of 3.00% per annum. The Directors determined the deposits were mainly for the purpose of short-term fund management, which would be sold in the secondary market within one year, therefore the deposits were accounted for as financial assets at FVTPL and classified as current assets.
- iv. The structured bank deposits carry expected return up to 1.90% per annum, depending on certain exchange rates in the market as specified in the terms of relevant deposits. There is no predetermined return for each product. Such financial products are accounted for as financial assets at FVTPL under IFRS 9.

As at 31 December 2025, the Group's investment in the Tasly Fund and investment in the Shaoxing Fund were pledged to secure other financial liability of the Group (Note 15).

### 13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>As at 31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Prepayments to suppliers and service providers	<b>8,210</b>	13,411
Value added tax recoverable	<b>3,819</b>	3,939
Prepayments for purchase of property, plant and equipment	<b>1,301</b>	1,029
Rental deposits	<b>3,488</b>	3,375
Other deposits	<b>677</b>	1,140
Advances to employees	<b>991</b>	706
Others	<b>254</b>	108
	<u><b>18,740</b></u>	<u>23,708</u>
Analysed as:		
Non-current	<b>6,402</b>	5,180
Current	<b>12,338</b>	18,528
	<u><b>18,740</b></u>	<u>23,708</u>

#### 14. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	35,225	33,609
Payables for acquisition of property, plant and equipment	61,925	74,932
Accrued salaries and other allowances	8,872	8,797
Payables for acquisition of intangible assets	2,281	1,947
Payables for service expense	17,578	12,207
Others	1,132	433
	<u>127,013</u>	<u>131,925</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	15,165	16,855
1 year to 2 years	7,460	11,674
2 years to 3 years	10,735	5,080
More than 3 years	1,865	–
	<u>35,225</u>	<u>33,609</u>

#### 15. OTHER FINANCIAL LIABILITY

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Convertible bonds	–	268,097
Bonds	336,612	–
	<u>336,612</u>	<u>268,097</u>

In February 2023, the Company issued convertible bonds to Tasly (Hong Kong) Pharmaceutical Investment Limited (“**Tasly (Hong Kong)**”) with the principal amount of RMB300 million (the “**2023 Bonds**”) which will mature in 3 years from the date of issuance (the “**Maturity Date**”). Tasly (Hong Kong) is controlled by Tasly Pharmaceutical Group Co., Ltd. (“**Tasly Pharmaceutical**”), a listed company on Shanghai Stock Exchange, both Tasly Pharmaceutical and Tasly Fund are controlled by Tasly Holding Group Co., LTD. The convertible bonds carry interests of 6% per annum and the interest will be payable annually and can convert into the shares of the Company at the option of the investor at any time commencing from six months after the issue date up to the Maturity Date at the initial conversion price of RMB4.38 (equivalent to HK\$4.81) per conversion share subject to adjustment, which has been adjusted to HK\$4.425 immediately upon the completion of the Rights Issue (defined in Note 16). If the convertible bonds are not fully converted at the Maturity Date, the Company would make up an aggregate return on the relevant principal amount of the convertible bonds of 8% per annum. The convertible bonds were secured by property, plant and equipment, financial assets at FVTPL and ordinary shares of the Company provided by Mr. Tan Zheng, a director of the Company, and his close family members. The convertible bonds are designated at FVTPL.

On 30 December 2024, Tasly (Hong Kong) and an independent investor entered an agreement to transfer the convertible bonds at a consideration of RMB300,000,000, subject to certain conditions. All the conditions precedent of the transfer of the convertible bonds have been fulfilled and the convertible bonds has been transferred to the independent investor’s wholly owned subsidiary (the “Investor”) on 15 July 2025. The interest incurred before the transfer belongs to Tasly (Hong Kong) and the interest incurred after the transfer belongs to the Investor. The related parties of Tasly (Hong Kong) provided additional security in relation to the convertible bonds to the Investor. The security provided by the Group to Tasly (Hong Kong) in relation to the convertible bonds will also be transferred to the Investor.

On 31 December 2025, the Investor confirmed to the Company that it will not exercise the conversion rights till the expiration date of the convertible bonds. The surrender of the conversion right by the Investor resulted in a substantial modification, such modification is accounted for as derecognition of the original convertible bonds and recognition of a new financial liability. The new financial liability was recognised initially at fair value of RMB336,612,000 and measured subsequently at amortised cost. The difference between the carrying amount of the convertible bonds derecognised and the fair value of the new financial liability recognised is insignificant.

The movement of other financial liability is as follows:

	<b>Other Financial Liability RMB’000</b>
As 1 January 2024	326,839
Change in fair value	(58,742)
	<hr/>
At 31 December 2024	268,097
Change in fair value	68,515
Derecognition of convertible bonds	(336,612)
Recognition of bonds	336,612
	<hr/>
At 31 December 2025	<b><u>336,612</u></b>

The fair value of convertible bonds is valued by an independent valuer using the Binomial Model as at 31 December 2024 and the key valuation assumptions and inputs to the model are as follows:

	<b>As at 31 December 2024</b>
Bond maturity	<b>1.13 years</b>
Volatility	<b>79.44%</b>
Stock price of the Company	<b>RMB2.13</b>
Risk-free interest rate	<b>1.08%</b>
Discount rate for the Company	<b>44.35%</b>

Volatility was estimated on the valuation date based on the average of historical volatilities of the Company for a period of three years.

Risk-free interest rate was estimated based on the China government bond yield curve with similar time to maturity as at the valuation date.

On 9 February 2026, the Company and the Investor entered into an agreement to issue new convertible bonds with the principal amount of RMB270 million (the “**2026 Convertible Bonds**”) and a note with the principal amount of RMB30 million (the “**Note**”) to the Investor to settle the 2023 Bonds. On 13 February 2026, the issuance was completed and the consideration for the subscription were applied exclusively as full and final settlement of principal amount of the 2023 Bonds. Both the 2026 Convertible Bonds and the Note have a maturity of 364 days from the date of issue. The interests of 2023 Bonds to the Investor have been repaid on 13 February 2026.

## 16. SHARE CAPITAL

	Number of shares	Share capital US\$
<b>Ordinary shares</b>		
Ordinary shares of US\$0.001 each		
<b>Authorised</b>		
At 1 January 2024 and at 31 December 2024 and 2025	<b>5,000,000,000</b>	5,000,000
<b>Issued and fully paid</b>		
At 1 January 2024 and at 31 December 2024	<b>514,584,000</b>	514,584
Rights issue of shares ( <i>Note</i> )	<b>102,916,800</b>	102,917
	<b>617,500,800</b>	617,501
	<b>31 December</b>	
	<b>2025</b>	2024
	<b>RMB'000</b>	RMB'000
Presented as	<b>4,306</b>	3,576

*Note:* On 13 November 2025, a total of 102,916,800 new shares were issued as a result of the completion of the rights issue at the subscription price of HK\$2.5 per rights share on the basis of one rights share for every five then existing ordinary shares held (the “**Rights Issue**”), resulting in an increase of the share capital of US\$102,917 (equivalent to approximately RMB730,000). The Company raised net proceeds of approximately HK\$252,373,000 (equivalent to RMB230,154,000) excluding the transaction costs amounting to approximately RMB4,485,000. The proceeds of rights issue will be utilised in the early commercialisation and clinical trials of the core product, the general working capital to support operations and the research and development expenditure in connection with other pipeline products and early-stage research projects.

## **PUBLICATION OF THE ANNUAL RESULTS AND 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

The annual results announcement for the current year is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.eaal.net](http://www.eaal.net)).

The annual report for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be published on the websites of the Stock Exchange and the Company. The Company has set out in detail on its website under the “Investor Relations” section the manner for the dissemination of its corporate communications, and the relevant arrangements for Shareholders to request for corporate communications in printed form. Shareholders may send a written request to the Company’s Hong Kong branch Share registrar, Computershare Hong Kong Investor Services Limited at 17 Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong or send an email to [immunotech.ecom@computershare.com.hk](mailto:immunotech.ecom@computershare.com.hk), requesting for a printed copy of the annual report.

### **DEFINITIONS AND GLOSSARY TERMS**

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

“6B11”	the monoclonal anti-idiotypic antibody prepared by Beijing Weixiao with COC166-9 immunised mice with monoclonal antibody to mimic ovarian cancer-related antigen OC166-9
“6B11-OCIK Injection”	Injection of ovarian cancer autologous cytotoxic T lymphocyte, one of the Group’s biologic product pipeline for treatment of ovarian cancer
“aT19 Injection”	aT19 injection, the active component of the aT19 Injection product candidate is autologous T cells genetically modified to express CD19
“Audit Committee”	the audit committee of the Board
“B-ALL”	relapsed/refractory B cell acute lymphoblastic leukaemia, a type of blood cancer that usually begin in the bone marrow and result in high numbers of abnormal blood cells
“B cells”	a type of Lymphocytes

“Beijing Weixiao”	Beijing Weixiao Biotechnology Development Limited* (北京緯曉生物技術開發有限責任公司), a limited liability company established in the PRC on 15 July 2016 and owned as to 70.0% by our subsidiary Beijing Yongtai, 29.0% by Wu Shuangchen and 1% by Liao Qian
“Beijing Yongtai”	Immunotech Applied Science Limited (北京永泰生物製品有限公司), a limited liability company established in the PRC on 20 November 2006 and an indirect wholly-owned subsidiary of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“CAR-T cells”	chimeric antigen receptor T cells, are T cells that have been genetically engineered to produce an artificial T-cell receptor and chimeric antigen receptors that have been engineered to give T cells the new ability to target a specific protein on the surfaces of cells
“CAR-T-19 Injection”	CAR-T-19 injection, one of the Group’s core of CAR-T cell product pipeline
“CD19”	a cell surface protein expressed on the surface of nearly all B cell leukemias and lymphomas
“CDE”	Centre for Drug Evaluation of the NMPA
“CDMO”	Contract Development Manufacturing Organisation
“CEO”	the chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “the PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region and Taiwan
“CMV”	Cytomegalovirus
“Company”	Immunotech Biopharm Ltd (永泰生物製藥有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 11 April 2018

“Core Product Candidate”	the “core product” as defined under Chapter 18A of the Listing Rules, namely EAL®
“Denocabtagene Ciloleucel Injection”	Denocabtagene Ciloleucel injection, an injection for the treatment of patients with relapsed and refractory diffuse large B-cell lymphoma
“Director(s)”	the director(s) of the Company
“EBV”	Epstein-Barr virus, a member of the herpes virus family
“FVTPL”	Financial assets at fair value through profit or loss
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GMP”	good manufacturing practice, and in the context of PRC laws and regulations, refers to guidelines and regulations from time to time issued pursuant to the PRC Drug Administration Law (中華人民共和國藥品管理法) as part of quality assurance which aims to minimise the risks of contamination, cross contamination, confusion, and errors during the manufacture process of pharmaceutical products and to ensure that pharmaceutical products subject to these guidelines and regulations are consistently produced and controlled in conformity to quality and standards appropriate for their intended use
“Group” or “the Group”	the Company and its subsidiaries
“Guosheng Laboratory”	a R&D facility located at Guosheng Technology Park, No. 1 Kangding Street, Beijing Economic-technological Development Area, Beijing, China leased by the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HLA”	human leukocyte antigen, a gene complex encoding the major MHC proteins
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IND”	investigational new drug
“Industry Fund”	the cellular immunotherapy specialised industry fund (細胞免疫治療專項產業基金)
“Investor”	Jiaze Global Capital Limited (嘉澤全球資本有限公司)

“Korea”	Republic of Korea
“Leadman”	Beijing Leadman Biochemistry Co., Ltd, a company incorporated in the PRC, being the landlord under the Lease Agreement
“Lease Agreement”	the formal lease agreement dated 9 October 2021 entered into between Beijing Yongtai as the tenant and Leadman as the landlord in relation to the lease of the Premises
“Listing” or “IPO”	the listing of the Shares on the Main Board of the Stock Exchange on 10 July 2020
“Listing Date”	10 July 2020, being the date on which the Shares were listed on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“Lymphocytes”	a sub-type of white blood cells, such as T cells, B cells and NK cells
“Main Board”	the Main Board of the Stock Exchange
“MHC”	major histocompatibility complex, proteins found on the surfaces of cells specialised for displaying short peptide fragments on the surface of cells
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“NDA”	new drug application
“NK cells”	natural killer cells, a type of Lymphocytes and a component of innate immune system
“NMPA”	National Medical Products Administration of the People’s Republic of China
“Prospectus”	the prospectus issued by the Company dated 29 June 2020
“R&D”	research and development
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of China
“Reporting Period”	the 12-month period from 1 January 2025 to 31 December 2025

“Share(s)”	ordinary shares with a nominal value of US\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 28 October 2022 entered into among the Company, the Investor and others in relation to the subscription of the Convertible Bonds
“T cells” or “T Lymphocytes”	a type of Lymphocytes produced or processed by the thymus gland and actively participating in the immune response, which plays a central role in cell-mediated immunity. T cells can be distinguished from other lymphocytes, such as B cells and NK cells, by the presence of a T cell receptor on the cell surface
“TCR”	T cell receptor, a molecule found on the surface of T cells responsible for recognising fragments of antigen
“TGF-β”	transforming growth factor beta, a family of proteins involved in regulating and mediating processes at the cellular level
“U.S. dollar(s)”, “USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“Yongtai Ruike”	Beijing Yongtai Ruike Biotechnology Company Ltd (北京永泰瑞科生物科技有限公司), a company established in the PRC with limited liability on 8 June 2018 and is a wholly-owned subsidiary of the Company

By order of the Board  
**Immunotech Biopharm Ltd**  
**Tan Zheng**  
*Chairman and executive Director*

Hong Kong, 20 March 2026

*As at the date of this announcement, the Board comprises Mr Tan Zheng as Chairman and executive Director, Mr Yang Fan, Mr Wang Ruihua, Mr Wang Donghu, Mr Yang Xin, Mr Liu Rui and Mr Cao Ran as non-executive Directors, and Professor Wang Yingdian, Mr Ng Chi Kit, Ms Peng Sujiu and Mr Zhang Guoguang as independent non-executive Directors.*

\* *For identification purposes only*